Daily Report

Latin America

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FBIS-LAT-92-216 *6 November 1992*

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El Salvador

Eduardo Molina Olivares, a Salvadoran lawyer who together with Reynaldo Galindo Pohl and Abraham Rodriguez formed the Ad Hoc Commission for purging the Army, said in Washington at an international human rights organization that the peace process in El Salvador is in "grave danger" and that "there have even been two or three coup attempts by the military," Madrid EFE reported. Molina added that "apparently Cristiani is a prisoner of the military and the extreme rightists" and that "corruption in the armed forces is incredible." In response, President Cristiani said that these were "simply statements from a very active imagination," San Salvador television noted. The president further added, "I trust the armed forces because I had received their support as an institution throughout my administration." In response to Molina's allegations, Defense Minister Ponce declared, "there have been no coup d'etat attempts," and added that "the charges against the armed forces are an attempt to destroy and weaken it at this critical moment in the pacification process," NOTIMEX reported. Joaquin Villalobos, leader of the Farabundo Marti National Liberation Front, stated that "there are no conditions in the country for a successful military coup" but added that the claim "must be taken into account," San Salvador television observed.

Panama

Five civilians and seven bodyguards attached to the Attorney General's Office were injured when a bomb blew up in their office parking lot, where Attorney General Cruz "parks his cars every day," Panama City radio reported. The bomb exploded five minutes after Cruz arrived at work; he had arrived five minutes earlier than usual, Panama City television stated. In a telephone call to the Telemetro television station, an unidentified man "claimed credit for the attack in the name of the radical 20 December Movement," Panama City television continued.

Cuba

Alarcon Arrives in Venezuela, Notes Clinton Win

FL0511021392 Havana Radio Rebelde Network in Spanish 0000 GMT 5 Nov 92

[Text] Foreign Minister Ricardo Alarcon de Quesada has asserted today that the U.S. policy towards Cuba has failed and will have to change in this or subsequent administrations. In statements made upon his arrival in Caracas for an official visit, Alarcon judged that it is necessary to wait and see what Bill Clinton does as U.S. President in order to evaluate Cuba's prospects. He noted that the U.S. elections showed that the U.S. people urgently desire changes. The foreign minister pointed out that Clinton has the opportunity to carry out these changes, including in his policy toward Cuba.

During his stay in Venezuela, which will last until 7 November, the Cuban foreign minister will meet with Venezuelan President Carlos Andres Perez.

Alarcon, Venezuela's Perez Discuss Relations

FL0611025092 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Nov 92

[Text] Venezuelan President Carlos Andres Perez met today with Cuban Foreign Minister Ricardo Alarcon, who is making an official visit to Venezuela. The Cuban foreign minister told the press that topics of mutual interest were discussed with regard to the world today, and above all, to Latin America.

Regarding bilateral relations, Alarcon added: I am happy to confirm that they are progressing satisfactorily. During this visit, Alarcon will also meet with his Venezuelan counterpart, Fernando Ochoa Antich, to examine cooperation agreements between both Foreign Ministries. They are studying the possibility of signing a cultural cooperation agreement, as well as bilateral aspects linked to the current regional and international situation.

Upon his arrival on 4 November in Caracas, the Cuban foreign minister praised the evolution of relations between the two countries and their future prospects. Alarcon reiterated to reporters Cuba's position on hostile U.S. policies.

[Begin Alarcon recording] I am sure that one day these policies will change, based on the very simple reason that the policies used by the United States against Cuba have simply failed. After more than 30 years, without being able to force our people, without being able to impose their politics on us, is it not time for them to reconsider and try other options? I think it is obvious, but I do not know if it will be under this administration or another. We have gone through several, and of course we can continue to wait. I think it would be in the best interest of the U.S. and the Cuban people, however, as well as the whole world, that these policies be modified to establish a normal type of relations among sovereign states. [end recording].

Alarcon Announces Plan To Address UN on Embargo

FL0611021892 Havana Radio Rebelde Network in Spanish 0000 GMT 6 Nov 92

[Text] Cuban Foreign Minister Ricardo Alarcon de Quesada said today in Caracas that soon Cuba will present the subject of the U.S. embargo against Cuba to the United Nations, which will give each country the opportunity to defend its own sovereignty.

In speaking to reporters, the Cuban foreign minister indicated that on 24 November, Havana will introduce a new bill, which condemns the embargo, to the UN General Assembly. Alarcon said that this time it has a higher universal price, following Washington's approval of the so-called Torricelli Law.

Alarcon said the debate will be clearer and more precise and that Washington cannot not claim, as it did last year, that it deals with a bilateral issue, since the Torricelli Law involves the U.S. in efforts to pressure third countries to strengthen the economic embargo. Now the issue is not just the damage done to the Cuban people, but also includes a threat by Washington against all nations in the world.

National Electoral Commission Members Assume Posts

FL0411214392 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Nov 92

[Text] As established by the resolution of the Council of State, an inauguration ceremony was held for the members of the National Electoral Commission today in Havana before the secretary of the Council of State. The president of the National Assembly of the People's Government and other leaders and officials of the courts, the Office of the Attorney General, and the Ministry of Justice, among others, attended the ceremony. Gisela Bel Heredia will now expand on this information.

[Bel] Today the members of the National Electoral Commission, which was appointed by the Council of State of the Republic of Cuba, assumed their posts. The Council of State also appointed Dr. Carlos Amat as Commission president and Comrades Juan Aizpurua and Miguel Aguilar as vice president and secretary, respectively. Another 14 comrades will act as members of the Electoral Commission at this level. Some of the Commission's responsibilities are to organize, direct, and validate the electoral process that is now beginning and to issue measures supplementary to the electoral law.

At the conclusion of the ceremony, Dr. Carlos Amat made these remarks, among other statements.

[Begin recording] [Amat] I believe that the work, from the moment its begins to the moment it ends, has a degree or rate of intensity, so that we cannot say that one thing is more important than another. I believe that from now until the process is finished, we will have to work

actively and hard to make sure that everything comes out well and that the people do not have any complaints, at least about the organization of the process.

[Bel] It is a process that involves a lot of people, thousands of Cubans.

[Amat] Thousands of people, thousands of citizens, will participate at the electoral posts as well as right now in the work of checking people's addresses and ages. This is a process that is primarily based on the masses, and the different activities of the process are carried out by our people. [end recording]

[Bel] This morning, the National Electoral Commission also held its first work meeting. During the meeting, the Commission took the initial steps for selecting the provincial electoral commissions, which will be formed throughout the country tomorrow. Aspects related to getting the information from the base level to the National Electoral Commission, accrediting documents, and other organizational points were discussed during first work session of the National Electoral Commission.

Cape Verde Signs Trade Letter of Intent

FL0411230192 Havana Radio Reloj Network in Spanish 2037 GMT 4 Nov 92

[Text] The first letter of intent concerning trade between the Republics of Cuba and Cape Verde was signed today at the 10th International Fair in Havana. (Edmond Darwin), the president of the (?Windward) Trade, Industrial, and Agricultural Association, and Porfirio Mederos, the acting president of the Cuban Chamber of Commerce, signed the document.

This is the first accord between the two institutions, and has the goal of contributing to the development of economic relations between the Republics of Cuba and Cape Verde. The Havana International Fair continues today with the promotion of important equipment, including the multiple plow, which has sales potential in Spain and other Mediterranean countries.

Robaina Heads UJC Group Visiting Camaguey

FL0411212292 Havana Radio Rebelde Network in Spanish 1800 GMT 4 Nov 92

[Text] Roberto Robaina, the first secretary of the national committee of the Union of Young Communists [UJC], is heading the work group that is visiting Camaguey today. The essential goal of the meeting with the province's youth leaders is to evaluate the progress of the main economic programs in which young people have extensive participation.

The UJC members in Camaguey are likewise analyzing the progress of the [membership] growth and building processes, overseeing the base-level organizations and the functioning of the UJC organizations. Issues such as the youth movement in livestock raising and tourism, the work at the universities, the role of young people in scientific research, the influence of teachers and professors, and the work at the Pioneer facilities are also being discussed in the meeting with the members of the UJC national bureau.

The Camaguey residents are also reporting on how the production pledges the young people have made are being organized and fulfilled in honor of the 34th anniversary of the triumph of the revolution, and on the spread of the "Yes for Cuba" campaign to every corner of the province.

Scheduled Power Outages for Havana Noted

FL0511151392 Havana Radio Progreso Network in Spanish 1200 GMT 5 Nov 92

[Text] Electric service will be affected on 5 November from 1400 to 1700 in Plaza de la Revolucion and Cerro Municipalities; from 1700 to 2000 in Guanabacoa, Regla, Cotorro, San Miguel del Padron, and La Habana del Este Municipalities; and from 2000 to 2300 in Marianao, Playa, and La Lisa Municipalities.

We advise our listeners in the city of Havana that we do not know the reasons for the changes in the time of the power outages—that is, in those cases where an outage is scheduled for a given time in a particular area and the outage occurs at a different time. We announce only the officially scheduled outages.

Man Tried for Broadcasting 'Enemy Propaganda'

PA0411195792 Hamburg DPA in Spanish 2103 GMT 3 Nov 92

[Text] Havana, 3 Nov (DPA)—One Cuban dissident has been remanded to court for disseminating enemy propaganda through U.S. radio stations, it was reported in Havana on 3 November.

In a 29 October hearing, Edelmira Pedris, prosecutor of the Havana Court Chamber of Crimes Against State Security, demanded that Pablo Reyes Martinez be sentenced to 12 years in prison, according to the report.

The prosecutor accused the dissident of misrepresenting and transmitting completely false reports through opposition radio stations located in Florida and financed with funds approved by the U.S. Congress.

According to the report, Reyes Martinez transmitted information for the Voice of the Cuban-American Foundation, a Miami station managed by anti-Castroist Jorge Mas Canosa, and occasionally for a radio station of the Independent and Democratic Cuba group.

The prosecutor told DPA that the dissident committed offenses covered by the Criminal Code.

Another dissident, Sebastian Arcos Bergnes, brother of the well-known dissident Gustavo Arcos Bergnes, last week was sentenced to four years and six months in prison for the same crime.

Haiti

Reaction to Clinton's Presidential Win Noted

Deputies See Win as Favorable

FL0611000692 Port-au-Prince Radio Metropole in French 1700 GMT 5 Nov 92

[Text] Some Haitian parliamentarians reacted to Bill Clinton's election as the American President. The president of the socialist group in the Lower Chamber, Deputy Yves Pericles Boge, warmly hails the victory of the Democratic candidate. He thinks that Clinton's arrival in power will contribute to the improvement of relations between Haiti and the United States.

[Begin Boge recording in Creole] What occured on 3 November shows once again, the lucidity and perspicacity of the American people. They have understood something and have decided to act against it. Despite all of Bush's great accomplishments, great conquests, there are problems. The American people believe it is necessary to change camps, to leave a Republican and turn to a Democrat. We hope that the arrival of Bill Clinton in the American presidency will allow us here—since we have very good relations with the Americans—to improve conditions for the establishment and progress of democracy and for economic and social progress in this country. [end recording]

[Announcer] According to National Front for Change and Democracy Deputy Pierre Canel Joseph Rindal, the election of Democratic candidate Bill Clinton to the American presidency will create an important turnaround in United States foreign policy toward the reinforcement of democracy in the hemisphere. Deputy Rindal does not, however, expect much from Bill Clinton's victory in the quest for a solution to the Haitian crisis.

[Begin Rindal recording] It was predictable. I think it will take a turn. There will be a different approach in United States foreign policy. Bill Clinton has brandished his colors, and since Bush has failed on the economic plan, everyone is watching to see how Clinton will raise the bar and work in the interest of real democracy in the hemisphere. I do not expect much from Bill Clinton on the Haitian crisis. I think that Haitians are the ones to solve this crisis by putting their heads together to find a solution. I think, however, that since there will be a different approach in American foreign policy, we will be better able to fight. [end recording]

Theodore, Antonin Comment

FL0511231492 Port-au-Prince Tele-Haiti in French 1330 GMT 5 Nov 92

[Italicized passages in Creole—recorded]

[Excerpts] [Announcer] Certain members of the Haitian political class reacted to the American elections. The head of the National Reconstruction Movement, MRN, Rene Theodore, said on 4 November that the advent of a new president in the United States, namely Democrat Bill Clinton, will not necessarily lead to deep modifications in the foreign policy of that country. Asked about the effects this victory might have on the Haitian political situation, Theodore explained that it is not inconceivable for the solution to the Haitian crisis to result from a unilateral United States' decision that does not commit other international institutions, especially the OAS, which has been sponsoring mediation between the Haitian parties since 30 September. MRN leader Rene Theodore was interviewed by Varrio Serran.

[Theodore] *The foreign policy of a power, a great power like the United States, is an extension of that government's policy to defend its own interests in relation to its harmony with other governments and in accordance with how convenient this is for its own development. Expect Bill Clinton, who never criticized George Bush for his policy toward Haiti, to follow the same political trends.*

[Serran] That is to say?

[Theodore] *That solidarity with the OAS for restoration of constitutional order in Haiti and the return of Father Jean-Bertrand Aristide to power is the stand they took from the beginning. It is a stand in favor of legitimacy in Haiti. [passage omitted]*

[Serran] With regard to the Haitian people, we see there was—already at the time of the electoral campaign began—a pronounced preference for the democratic candidate. This preference is the result of statements he reportedly made concerning the return of democracy to Haiti.

[Theodore] *Well, it is obvious that the political stake in the United States for these elections also concerned the Haitian community in the United States, especially those who could vote. It likely concerned a number of minorities in the United States, who would be more or less in solidarity with the prospect of restoration of constitutional order in Haiti, and who are in solidarity with the OAS in trying to stop the effects of a coup d'etat. It would therefore follow that a presidential candidate in the United States would, to some extent, try to use the Haitian crisis to acquire more electoral support.*

[Serran] So, they are only campaign promises?

[Theodore] *I cannot say it is only that, because there was a U.S. Government commitment to the OAS from the beginning for the restoration of constitutional order in Haiti. [passage omitted]*

[Announcer] Reacting to the results of the 3 November ballot in the United States, Arnold Antonin [second in command of the Nationalistic Progressive Revolutionary Party of Haiti] believes it is a great lesson in democracy for the entire world. Antonin foresees that the democratic representative will have to look into the internal problems of his country and continue the

achievements of his predecessor, through change. Let us listen to Arnold Antonin who was interviewed by Patrick Eliancy.

[Antonin] *I believe this has shown that there is a call for change by the American people. Clinton has made a number of commitments in this area: commitments to an economic boost, to changing the economic situation which is in an extremely grave condition. Let us hope he will be able to keep his promises. This is an extremely important matter. He must quickly go into action. [passage omitted] We will see to what extent there will be change in continuity. [passage omitted]*

[Eliancy] Mr. Antonin, can you tell us briefly what effects that Bill Clinton's victory can have on the Latin America and some European countries, especially the Eastern European countries?

[Antonin] *Well, at first, I believe the best way to see if Clinton will keep his electoral promises is that he should first look into the internal files. So, the foreign policy will be in second place. I do not say secondary or less important, but second. As the internal policy of a great power cannot be untied from its external policy, I am sure that it will have an external policy mostly based on problems of defense or of balance of terror like at the time of the cold war. It is not an external policy which will be based mostly on the conquest of new markets, on the penetration of new markets, or on the renovation of markets that they were controlling before.*

St. Lucia

Prime Minister Views Clinton Victory

FL0611122792 Bonaire Trans World Radio in English 1130 GMT 6 Nov 92

[Text] St. Lucian Prime Minister John Compton says he does not think the Caribbean has become any more or less of a priority in the eyes of the new U.S. Administration, but hopes that our continued good relations will continue. He says he understands the United States' concern over the political circumstances in Eastern Europe and the economic problems they are having with Japan and says those issues will likely take up most of Mr. Clinton's foreign policy energies. Mr. Compton says all the Caribbean leaders can do now is wait for an upcoming meeting in Miami with the representatives of U.S. President-elect Bill Clinton.

Opposition Party Supports Caricom Commission

FL2710211792 Bridgetown CANA in English 1924 GMT 27 Oct 92

[Text] Castries, St. Lucia, Oct 27, CANA—The main opposition St. Lucia Labour Party (SLP) on Tuesday [27 October] said that it supported a West Indian Commission call for the appointment of a Caricom [Caribbean Community] commission to ensure the implementation of decisions reached by regional leaders.

"Although we are not enamoured with the idea of another level of bureaucracy, we see the institution of the Caricom Commission as the best answer available at present to the question of implementation," the SLP said in a statement.

Caribbean Community (Caricom) leaders will meet in Trinidad October from Wednesday to Friday, to discuss the report and recommendations of the West Indian Commission, as well as the controversial Common External Tariff (CET). The commission has submitted well over 200 recommendations on moving the regional integration movement forward.

Some Caricom countries have opposed the establishment of a Caricom Commission. The SLP said that it also agreed with "many of the specific recommendations and positions adopted and advanced by the commission, most of which fully accord with the views of our party."

"We do not however believe, that the Caricom Assembly, as proposed in the commission's report, is likely to achieve the objectives which are set out for it as its proposed structure may hamper decision-making," the SLP said.

The party urged regional governments to examine closely the recommendations of the commission in light of the changing global environment, warning "the Caribbean must fashion its own response to this trend if the region is not to be marginalised by this new economic order."

"This and a few minor specifics apart, the St. Lucia Labour Party accepts and adopts the report of the West Indian Commission and urges the government of St. Lucia and indeed the Caricom heads of government conference to do likewise," the statement added.

Minister Announces CET Implementation by Jan

FL0411225392 Bridgetown CANA in English 2149 GMT 4 Nov 92

[Text] Castries, St. Lucia, Nov 4, CANA—St. Lucia, one of four Caribbean Community (Caricom) countries which did not implement the original Caricom Common External Tariff (CET), will implement the revised version by January of next year, Trade and Industry Minister George Mallet said.

Mallet, the deputy prime minister, said the original CET, with a 45 percent tariff ceiling against third-country imports, "provided too much protection" for countries operating in a changing global environment.

"The rates we have agreed to are almost identical with our current level of rates ... There are some areas where the rates may be slightly higher, but ... These are cases where it has been proven to us that supplies are available in the region," Mallet said.

Caricom leaders agreed at a special summit in Trinidad last week to implement a phased reduction of CET rates, with the objective of achieving a rate structure of five to 20 percent by January 1, 1998 with concessions for the less developed Caricom countries. Mallet discounted suggestions that the revised CET with a 35 percent ceiling would result in an increase in inflation.

"I don't think we are going to see any sharp rise in the cost of living," he said.

Further on Reaction to Clinton's Victory Noted

Salinas 'Encouraged' by Clinton

PA0511140792 Mexico City Canal 13 Television Network in Spanish 1200 GMT 5 Nov 92

[Interview with President Carlos Salinas de Gortari by unidentified reporter, place and date not given—recorded]

[Text] [Reporter] Mr. President, Bill Clinton, the U.S. Democratic Party's presidential candidate, has won the elections. What do you and our country expect from our relations with the new U.S. President?

[Salinas] The perspective is positive because President-elect Clinton has spoken repeatedly about strengthening relations with Mexico and about leading pending bilateral matters to positive conclusions.

Last night I warmly congratulated him on his grand victory, and acknowledged the courage and firmness he demonstrated to overcome obstacles and secure victory in his country's democratic process.

The perspective of relations between Mexico and the United States with the arrival of President-elect Clinton is positive and encouraging.

[Reporter] Thank you, Mr. President. Mr. President, what is Mexico's point of view now that the Democratic Party has won the U.S. Presidency through Mr. Bill Clinton? How does your government, our government, view the future of the North American Free Trade Agreement [NAFTA]?

[Salinas] During his elections campaign, President-elect Clinton said emphatically that he backs NAFTA and believes it will be useful for his country, as well as for the region as a whole. That is our position also.

The agreement and other aspects of bilateral relations—financial matters, cultural relations, the struggle against drug trafficking, respect for our migratory workers, all the matters involved in a broad bilateral agenda—have a positive perspective because of President-elect Clinton's decision to strengthen U.S. relations with our country.

I feel very encouraged by President-elect Clinton's appreciation for the reforms carried out in our country and for the ongoing processes, especially because of President-elect Clinton's firm belief that positive relations between Mexico and the United States suit the United States. I am convinced that they will benefit our nation as well.

We view the prospect of positive relations with the Clinton administration with encouragement and renewed spirits.

More on Ruling Out NAFTA Changes

PA0511141592 Mexico City Canal 13 Television Network in Spanish 1311 GMT 5 Nov 92

[Report by Roberto Garduno]

[Text] Jaime Serra Puche, secretary of commerce and industrial development, says the final text of the Free Trade Agreement [NAFTA] will not be subject to renegotiation.

[Begin Serra Puche recording] Negotiations between the governments have concluded, which means that the text already signed by the three governments in a trilateral agreement is the definitive text and it will not be renegotiated. [end recording]

At a news conference at the Los Pinos official residence, Serra Puche spoke of President-Elect William Clinton's unequivocal support for NAFTA.

[Begin Serra Puche recording] Especially in the speech he delivered in North Carolina, which the Mexican media covered extensively, Governor Clinton pointed out that his future administration—if he won, which is now confirmed—would have no intention of renegotiating the NAFTA. [end recording]

The commerce secretary broached issues such as the environment and labor, which have been sources of a wide variety of interpretations with regard to NAFTA. He explained that these issues will be examined at the binational meeting between the Mexican and U.S. Governments in March 1993, and two commissions have already been created to examine both issues.

[Begin Serra Puche recording] There is interest in exploring two issues that are parallel to the NAFTA; the environment and labor. Mexico's position, as I have explained on various occasions, is that these two issues are part of a very broad agenda between the two countries and, of course, they will be discussed by the two governments. [end recording]

Serra Puche said that absolutely nothing will change; everything is going as planned. He also said that Commerce Secretariat officials have already established contact with Clinton's advisers on commercial issues, but there are absolutely no plans to renegotiate NAFTA.

* Three Ejido Operations Examined Closely

93CA0012A Mexico City ESTE PAIS in Spanish Sep 92 pp 17-21

[Article by Lucy Conger, Mexico correspondent of the INSTITUTIONAL INVESTOR and the JORNAL DO BRASIL; it is dedicated to her brother, David Conger]

[Text] Mexico has more than 28,000 ejidos covering almost 100 million hectares, half of the nation's territory, and spanning a wide and rich variety of climates, topographies, and crops. The lands of the ejidos and

Indian communities provide a livelihood for the 3 million ejido members and their families (some 15 million Mexicans in all). In other words, the ejidos, taken together, are almost equivalent in population to another Federal District.

The ejido members and communal landholders have to battle quite adverse conditions to farm the lands with which they have been provided. Only 17 percent of the nation's land, between 20 and 30 million hectares, is arable. Most farmland is rain-watered, which by definition means that nature must be kind in order for crops to grow there. One-fifth of the arable land is irrigated, that is to say, somewhat more than 4 million hectares. Thus, there are about 3,000 square meters of arable land (less than a third of a hectare) for every Mexican, and barely 600 square meters are irrigated.

The phenomenon of very small landholdings is widespread in agriculture. More than 57 percent of the parcels are between five and 20 hectares. Owning 48 percent of the nation's territory, the ejido members and communal landholders cultivate 21 percent of their own holdings and account for 48 percent of nationwide farm production, while the so-called small privately held landholdings, which cover 38 percent of the territory, farm 19 percent of the area and account for 51 percent of national agricultural output.

The New Agrarian Law, an initiative of President Carlos Salinas de Gortari that reformed Article 27 of the Constitution, applies equally to each and every one of the ejido and Indian communities in the country, regardless of how different their situations may be. The law's basic provisions (and hence the most sweeping changes that it will foster) allow ejido members to transfer their usufruct to others and to vote to sell the ejido. In addition it permits investors and stockholding companies to form partnerships with ejidos to promote investment in the countryside.

A little more than six months after the law was enacted ESTE PAIS visited three ejidos to learn how their members have reacted to the reform and discover what changes are taking place in the countryside. Obviously we cannot use these few examples to draw general conclusions applicable to all cases. We did, however, visit three important and different ejidos among the huge variety, and they can teach us something about the changes that will be coming to the Mexican countryside in the years to come. They are: Vaquerias, President Carlos Salinas' pet ejido, where the project and model of his rural reform, a partnership between investors and ejido members, is being tried; Plan Chontalpa, a large ejido with heavy government investment, where an alternative to commercial growing, which is causing the ejido members to sell their lands, has been proposed; and Nueva Italia, an exceptionally well outfitted ejido that has a track record with farm exports and is experiencing for itself the problems posed by borrowing, marketing, and infighting in the midst of its great potential for farm wealth.

Vaquerias, Nuevo Leon

The lonely hamlet of Vaquerias, with its fewer than 100 houses, is a two and one-half hour drive from Monterrey along a road that cuts through desolate lands whipped by constant, strong winds. Surprisingly, over the past two years this isolated, inhospitable spot has become the focus of attention from government agricultural specialists and investors looking into the possibility of turning their capital to account in the countryside.

Carlos Salinas' pilot project and model is under way in Vaquerias on 4,500 hectares in three ejidos, two tenant farms, and one small, privately held landholding. The hope is to expand the model through the countryside under the new investment categories provided for in the reform of Article 27.

Two years ago, ejido members, tenant farmers, small owners of four ejidos, and a major industrialist, Alberto Santos, the then director of Gamesa, the huge cookie maker, formed a "stockholding company." In order for the partnership to thrive, trust needed to be established first. The ejido members wanted "to see who the investor was, what sort of person he was, and why he wanted to form a partnership," relates Oscar Flores, a delegate of the Morones ejido who joined the Vaquerias project. What Santos wanted was to invest his money in the ejido lands so that they could grow wheat together. He had a guaranteed market for this wheat: Gamesa, which by 1989 was importing 300,000 tons of it a year. Santos had a vital factor on his side for implementing his idea: the support of Carlos Salinas, who had recently taken over as president and was open to the idea of an investment project with ejido members.

To develop the land Santos proposed investing $8 million to buy machinery, including 19 tractors, five threshers, implements, 10 hauling wagons, wheeled irrigation rigs ideally suited to the uneven land in Vaquerias, and drying equipment. He would also finance the underground installation of 138 kilometers of plastic piping to provide water for the irrigation system, build 80 kilometers of paved roads and 10 pumping stations, repair the main ditch, and put up 20 kilometers of powerlines, warehouses, and offices.

He won over a majority of peasants, and 336 of them teamed up with Alberto Santos to form the country's first [agricultural] stockholding company in May 1990. "The reasons for joining forces were the profits, which could bring in everything necessary to produce—land, modern equipment, and irrigation suited to the land," says Oscar Flores.

A contract spelled out the resources that each party would contribute. The ejido members, tenant farmers, and small, private landholders put up their 4,000 hectares of land and water, their labor, and their know-how; the businessmen put up their capital, machinery, equipment, organization, and marketing to boost the output of the lands. The water was vital. "We want the projects to

be profitable," says Juan Pablo Alanis, the project coordinator of Mexican Comprehensive Rural Development, AC (Dicamex), the promotional and advisory institution that was formed to oversee Vaquerias and promote similar stockholding companies in other ejidos. The federal and state governments contributed a total of $6 million in infrastructure and institutional support to get the project under way. All of the infrastructure was installed in just two and a half months, and planting was able to begin.

A prior arrangement was made with the peasants so that everyone would join the partnership on an equal footing. The amount of land that each individual was contributing was leveled out at 10 hectares, valued at 8 million pesos a "package." The arithmetic was done, and a bonus was paid to the peasants who were in a position to provide tractors and machinery. The investor paid off the ejido's 3-billion peso debt and the debts of each ejido member, and an equivalent value in wheat was established, to be paid out during each harvest over the 12 years that the partnership lasts. Aside from the preexisting debt, the ejido members owe Santos one-quarter of each harvest so that he can amortize his investment.

The contract also stipulates that the peasants will receive pay (called compensation) for each day of work. At present a workman is paid 4,300 pesos per hectare, and a pump operator 50,000 per 24-hour shift, with 15,000 pesos per eight hectares of winnowing. To guarantee an income for each partner, a farm insurance policy was taken out; it pays eight percent of the expected production, even if the harvest falls through.

Vaquerias has had success with its production plan from the very first year. It has posted profits of more than 6 billion pesos in its first two years, up to 59 percent over sales. Production has been on the rise. Five-hundred hectares of gravity-irrigated crops used to be planted in Vaquerias; now, up to 3,250 hectares are planted with the country's major irrigation method. Moreover, production has been diversified into soy and other beans too, says Pablo Livas, the executive director of Dicamex. In a bid to promote agribusiness in Mexico Dicamex is looking to repeat the same sort of partnership with ejido members. It does not want "a boss/hired-hand relationship; we prefer a 50-50 partnership," says Livas. What Dicamex would supply to the partnerships and joint ventures that are in the works in eight states are capital, technology, research, management, and guaranteed marketing, he explains.

The project provides full-time, year-round jobs to 80 of the 336 partners. During weeding or harvest time there is work for between 200 and 300 persons, including women and children. Many of the ejido members still work on the 50,000 hectares of communal land, grazing stock or raising goats or cattle. Others seek temporary jobs in Monterrey in construction projects or other activities. To address the job-creation problem, Dicamex plans to start up alternative programs, beginning with a project to raise goats. After that there are plans for a horticultural project to grow broccoli, cabbage, and red peppers and to farm fish in the ditches, Alanis explains.

The philosophy behind the project is clear: "This is a business. We plant and harvest every six months," says Mario Garcia, who is in charge of agricultural promotion and organization for Dicamex. The issue of business prompted lively debates. There was dissatisfaction when the time came to distribute the profits. "A lot of people saw that he (Santos) got 3 billion of the 6.5 billion in profits, and he is a just one person," relates Oscar Flores. When the harvest was damaged by a hailstorm, each ejido member got 2.5 million pesos in profits. Then the ejido members questioned the costs of production and technical assistance. They demanded greater control over the production plan, where a decision is made on costs, which obviously are subtracted from profits.

An agreement was reached. Santos delegated his vote (equal to half of the votes) to the ejido members so that they could decide the production plan on the basis of their assessment of the previous crop year and a study of the recommendations of the Vaquerias farm-research trust. A new arrangement is being developed to pay for the technical assistance from Dicamex engineers in an effort to cut costs from eight percent of profits to five. "They are very interested in taking charge of production, and this is good because they are getting involved and depending less on us," explains Juan Fernandez, the Dicamex irrigation supervisor.

Two persistent problems for the ejidos, credit and marketing, have been resolved at Vaquerias. A credit fund was established to buy spare parts and to defray any unforeseen production costs; when the crop is harvested, expenses are deducted, and Santos and the ejido members cover them fifty-fifty. This means that production is not interrupted owing to a lack of credit, Flores says. Dicamex has found guaranteed buyers for Vaquerias' output. The wheat is sold to Agroinsa or Gamesa; the soybeans go to Ayamsa of Monterrey, an oilseeds producer, and the beans are packed in a processing plant owned by Alberto Santos and sold to Aurrera.

In spite of the financial performance to date, not all of the ejido members have been won over to the project. Some 40 members with 400 hectares did not join. Overcoming the skepticism and mistrust of decades is not easy. Lencho Guajardo, 39, lives in Vaquerias but has still not joined. He voices his doubts straightforwardly: "If there is a partnership, it is only fair for the partners to know on what production costs money is going to be spent."

The people taking part in the Vaquerias project have fought over the costs issue and see advantages in the project that may sooner or later win Guajardo over. "In the sense that there are jobs, we are better off. We do not have to arrange for loans and risk land, and they pay me," says delegate Flores. A partner who takes care of a pumping station sees other advantages: "When I joined the program, I had only seven cleared hectares," says

Joaquin Guajardo Castillo from the Barretas ejido. The project got him a loan to clear seven more hectares.

As far as the Dicamex engineers are concerned, Vaquerias has confirmed the merits of the stockholding-company model because it has made a profit from growing basic grains on lands that are not that good. The Dicamex engineers think that the other projects could turn out to be easier. "If we can demonstrate the feasibility of the project with basic grains, then there is no problem extending it to fruits and vegetables," explains Pablo Livas.

Vaquerias is meeting a great many needs of the countryside and of the peasants. Yet there is a long way to go before the peasants pay off their debts. "People are still 'drugged.' There is no salvation. If you go where you can make money, on the other side they nab you," says pump operator Joaquin Guajardo Castillo with a smile.

Plan Chontalpa, Tabasco

The land around the highway from Villahermosa through Cardenas is dominated by endless, thick vegetation. The all-enveloping green represents hope, challenge, and disappointment to the ejido members who were given some of the best land in the country, land where water is plentiful. Amid the cleansing verdure and the vast, gleaming sky, the Benito Juarez Sugar Refinery belches a dense black cloud that spreads and stains a landscape that gave the illusion of rare purity.

A wide, straight road cuts through rice paddies on the 52,000 hectares of Plan Chontalpa, the major project the government sponsored in the 1960's to develop this region through infrastructure and loans and promote the production of rice, sugarcane, and beef.

Parallel to this road runs one of the widest ditches fed by the rich lands. Here in the land of the poet Pellicer's water (and of SARH [Secretariat of Agriculture and Water Resources] ditches) there is rain year-round.

Four peasants are resting on a bridge over a ditch clogged with bulrushes and comment on their problems: "The loans have not gotten to us. We already planted 10 hectares (of the 15 that each has); we are doing it with sheer Mexican guts," says Leonardo Bautista. The loans are needed for urea, labor, fertilizer, and insecticide to combat the caterpillar pest, but Bautista's credit line with Banrural has run out.

Congress passed the reform of Article 27 of the Constitution just six months ago, and several ejido members have already sold some of their lands. Nicolas Cruz Quiroga recently mentioned that he sold two hectares, keeping 10 that belong to collectively held land and three of the five that he owned as a parcel. He sold them to an engineer who deals in agrochemical supplies in Cardenas (the second largest city in Tabasco, which is nearby) and who has already bought more than 40 hectares on this ejido. Cruz Quiroga got 4.8 million pesos for his two hectares. "I did it out of need. The money lasted me two weeks because I owed at the store, I owed the light bill, and I owed the property tax," he relates. Even though these lands are fertile, the peasants are being offered low prices for their parcels because a great deal of land in the huge Plan Chontalpa is on the market.

Further inland is Ejido 21-C. This hamlet of modest homes and streets muddy from the rain surrounds a park with a twisted, rusty steel structure. This is what is left of the tomato, papaya, and cabbage nursery, a skeleton that serves as a shriveled monument to the collective ejido project that was dissolved and dismantled seven years ago. Alongside it stands an unassuming IMSS [Mexican Social Security Institute] clinic and a Conasupo [National Company for Basic Commodities]-Solidarity store.

Seven ejido members are gathered under the trees. Speaking with them is Andres Manuel Lopez Obrador, the former state president of the Party of the Democratic Revolution (PRD) and a politician who has worked with Tabasco peasants and Indians both in PRI [Institutional Revolutionary Party] and the PRD. The men explain that the union of ejidos was run from the top down, designed collective programs that did not offer incentives to the farmers, and brought in "institutional corruption." Ejido C-21 bought tractors and Holstein cows and set up hog farms and nurseries. Its efforts failed, and the ejido members decided to divide everything up, to the extent that even the roofing sheets on the hog farm were torn off. They learned some lessons: "A well run collective does work. The new work method is a good one (because) they cannot steal from you anymore," says Miguel Jimenez Gonzalez, who identifies himself as the "treasurer of the ejido without money."

Several members are also selling some of their lands at C-21. As of December about 80 of the 2,400 hectares at C-21 will have been sold. On other nearby ejidos, C-10 and C-16, even more have been sold, but the peasants of C-21 are workers, so they are selling less. The pace of sell-offs has picked up under the reform of Article 27. "There is now more freedom" to sell, as well as the "guarantee" that one will get title, says Isabel Torres Osorio, a gray-haired man wearing a pink sports shirt with a picture of a surfer.

"We do not yet agree fully with what is happening," says Miguel Jimenez, "because of past due loans they are going to sell the ejido to pay the bank." Many of the ejido members saw their loans become past due during the crisis, when interest rates increased inordinately, and product prices plummeted. Today less than half of the 160 workers at C-21 are Banrural credit recipients. "Where are we going to go if there is no credit?" Panfilo Blanco asks angrily.

After listening, Lopez Obrador, whom everyone here knows, remarks: "The solution that I see for the peasants is diversity, not putting everything into one crop and aiming for subsistence. The most important thing is to have food."

Lopez Obrador has a proposal for the countryside that, according to the leader and former director of the National Indian Institute (INI) in Tabasco, would revive the rural economy. "The hub of the program would be to stimulate production and jobs" by channeling government support into both private enterprise and the social sector, the ejidos that is to say, and joint investments among all of the sectors, he explains as he drives through the rice paddies in his Volkswagen.

The farm program that Lopez Obrador has in mind consists of three dimensions for three different types of agricultural production. "First comes agricultural output for consumption by producer, with a nutritional approach," says the former PRD candidate for governor of Tabasco. The household production of foodstuffs with high nutritional value, including oil, eggs, and chicken, would be promoted in towns. Second, the government would implement political measures to promote a surplus of the food items in the basic shopping basket so that the state would become self-sufficient in basic commodities. Third and last, the government would move to promote commercial farming in order to create jobs.

The PRD member stresses promoting the production of basic grains and foodstuffs in general because he does not agree with the idea of accepting world prices as the basis for formulating domestic farm policies. "I do not agree with comparative advantage because there are no advantages," he says. It may be cheaper to buy corn overseas, but when you add in distribution costs and take into account quality and the harm done to jobs and the whole corn-based culture in the region, the advantage of importing it is not that clear, he argues.

"With so-called comparative advantages we are creating poverty and everything that it brings: hunger, malnutrition, etc.," he argues.

Nueva Italia, Michoacan

After winding sharply down into the temperate Uruapan Valley, the road straightens shortly before Nueva Italia, a warm spot ideal for growing citrus fruit and mangoes. At the entrance to this unattractive yet prosperous looking town, and at one side of the highway, lies the old main building of the Cusi family hacienda; the Cusis were the Italians who settled here, grew rice, and inspired the town's name.

On the former hacienda are the offices of the ejido council, which have been occupied for the past four months by a group of ejido members because it failed to call even one assembly meeting in two years and blocked access to credit, the peasants explain. The feud is said to be between PRI and PRD members, but the people who have taken over the offices insist that theirs is a pluralist group. This squares with the accounts of various ejido members who are not involved in the takeover.

The Nueva Italia ejido was and is privileged. It is the country's second largest, having 10,500 hectares with irrigation and 20,000 rain-watered hectares distributed among 1,038 members; it has had a presidential resolution since 1938. It is well located to market its output, as Uruapan is an hour's drive and the Apatzingan Valley is just a half-hour away.

In spite of its extensive holdings and great potential Nueva Italia is caught up in two fundamental problems that beset many ejidos: credit and marketing.

There are many facets to the credit problem, ranging from the cost of growing on the land to market prices. Credit is needed because the peasants are more strapped for cash than ever. "Gasoline is up, fertilizer is up, but the basic grain is not," says Carlos Zirate Alvarez, a man with green eyes and heavy eyebrows. A serious, concerned Zirate has an explanation of why the price of the basic grain has not risen: "No foreign company produces it."

The signature of a board made up of the ejido council is needed to vie for scarce loans, but since the board is missing two persons, credit cannot be applied for. While the battle continues, production languishes and the problems of the ejido members mount.

Concurrently, the ejido members are negotiating their past due loans with Banrural, but arriving at a definitive solution is difficult as long as there are internal rifts, and things have been made more complicated by the closure of the Banrural office two years ago. The credit issue has everyone worried and frustrated. The ejido members have only their land to offer as the collateral that Banrural requires, and there are no deeds to the houses in the town even though the authorities were asked years ago to regularize Nueva Italia. The ejido members feel trapped. Benjamin Serrato, a former ejido councilman, is planting grapefruit and needs a (long-term) farm loan until the fruit ripens.

Serrato is asking Banrural to be more flexible: "The collateral requirement that they can take possession of a parcel should not be so hard and fast. The law gives us no alternative but to privatize," he complains.

One option that the government offers, the program of signature loans, does not meet needs. The program makes available 300,000 peso loans per hectare, without collateral, for the planting of basic grains. This amount, 300,000 pesos, barely covers leveling and plowing the land, even if they were to plant basic grains, and that leaves nothing for fertilizing even a single hectare of milpa. However, the ejido members would not dream of planting basic grains. As ejido Councilman Abel Palominos Casillas, who works in the PRI offices, says, fruit growing "is the present and the future, because we export to the United States and Canada, and exports are more profitable because they bring in dollars." Nueva Italia has a long history of association with farm exports. In the 1950's and 1960's the ejido exported melons and cucumbers to the United States and it has been exporting mangoes since the 1980's. There have been bitter experiences and lessons learned.

This year, they say at the former hacienda, a cacique in Nueva Italia brought a union of mango growers into the ejido, and the union made a deal to be the exclusive supplier of a packing company. Under this deal, the mango growers were forced to sell their produce to the packing company even if they could command higher prices from other marketers. "We are not free to set our prices. The people cornering the market set the price," said Carlos Zirate Alvarez.

Something similar happened in 1981 or 1982, recalls Alfonso Villegas Prado, a candidate for ejido councilman. Ten years ago many ejido members planted sorghum on part of their parcels. The government imported sorghum from Argentina, and the price of the grain plummeted in Mexico.

Nonetheless, international agribusiness left behind ideas that some people propose reviving in a bid to cope with the current situation. Jose Garcia Garcia is personally familiar with the history of Nueva Italia from the very beginning. Leaning on his cane, the 75-year old Garcia Garcia recalls the association with the U.S. firm Esteban Hermanos back in the cotton-growing days. The company contracted for the harvest, set the support price, and granted loans. Cotton was grown for 14 years without insurance, and the peasants made a profit. A pest arrived, and the company left, but the experience of growing, selling, and making a profit has remained fresh in Garcia Garcia's mind.

Efforts are being made in Nueva Italia to promote fruit growing. Council member Palomino Casillas and his committee to spur fruit growing have obtained a donation of 20,800 mango, grapefruit, and orange trees from the National Solidarity Program and the Secretariat of Agricultural Development in the state. The trees have been distributed among 86 individuals "based on need," says Jose Luis Torres, the committee secretary.

However, the very same promotion program is creating conflicts. Solidarity's programs "are just for the caciques," remarks Samuel Hernandez, a man with classic Mexican sideburns and mustache, who accuses the council member of distributing the trees at his whim. Benjamin Serrato comments that an assembly was not called to report on this support for fruit growing: "The entire ejido should decide at an assembly on certain ejido assets," he argues.

Until they resolve their internal differences and the problem with Banrural, the peasants of Nueva Italia will remain prey to the same rumors that are spreading suspicion, concern, and uncertainty among ejidos all over the country. To date no SARH or Agrarian Reform official has come to explain to them how the new law is going to work. "I would ask that our fruit command a good price after privatization, because we always wind up owing money, and we are afraid that they are going to take our lands away," says Beatriz Vanarro, a widowed ejido member who is trying to bring up her children while tilling her parcel.

Costa Rica

Niehaus on Clinton Victory, Mutual Relations

PA0611023692 San Jose Radio Reloj in Spanish 0100 GMT 6 Nov 92

[Text] Foreign Minister Bernd Niehaus said the change of government in the United States, on the third week in January 1993, will not represent major changes in our traditional relations. Referring to this issue, he said the two administrations will coordinate throughout the next four years, and added that there is special interest in the appointments of U.S. secretary of state, assistant secretary of state, and assistant secretary of state for Latin American affairs. Niehaus said it is too early to know those details because the government is now making the necessary contacts to establish optimum relations with the Clinton administration.

The new U.S. Administration will probably change the style of its policy toward Latin America, but we must wait until William Clinton is sworn in, Foreign Minister Niehaus stated. He said that, nevertheless, Latin American countries will strive to uphold optimum trade relations, and there will soon be many opportunities to discuss the new situation that will exist after 3 January.

The issue will be discussed late in January when the Group of Three foreign ministers and presidents gather to discuss those changes, Niehaus added.

U.S., Native Fishermen 'Captured' by Nicaraguans

PA0511154192 San Jose LA NACION in Spanish 27 Oct 92 p 10A

[Article by Ronald Moya Ch. and Carlos Hernandez P.]

[Text] Six Costa Rican fishermen from Boca Tapada de San Carlos, who were fishing in the area of Infiernillo on the San Juan River, were detained on 24 October by Nicaraguan policemen and their whereabouts are unknown.

According to police sources, the men were detained at about 1700 on 24 October in the area of Infiernillo, but it is not known if the action took place on the Costa Rican side or on the Nicaraguan side.

Almost simultaneously, a group of U.S. citizens including the U.S. consul in Costa Rica and the security chief of the U.S. Embassy in Costa Rica were apprehended [aprehendidos] in the same area. This group remained in the custody of the Nicaraguans for five hours, and were later released.

In both cases, the Nicaraguan authorities claimed that the detained persons were illegally fishing in Nicaraguan waters.

When asked about this issue, Security and Government Minister Luis Fishman said that on 26 October, the Judicial Investigation Agency (OIJ) notified him of the arrest of the first group of Costa Ricans. He said that he had no reports on what had happened to the consul and the rest of the second group.

Fishman added that on 26 October he asked Sandinist Army Chief General Humberto Ortega Saavedra for information, and Ortega promised to investigate the issue and provide details on 27 October.

The arrested persons of the first group are: Luis Arce Rojas and his son Claudio Arce, Maximo Solano Martinez, and Alfonso Romero Tellez, all fishermen from Boca Tapada de San Carlos. Also included in this group are Carlos Guido and Gerardo Fallas Melendez. According to police reports, one of these two is a Civil Aviation employee.

The sources pointed out that U.S. Consul Kenneth Sacket and his companions were on a recreation trip through the tourist area when they were captured by the Sandinists and charged with fishing illegally.

However, they were released five hours later at 2200 thanks to a high-ranking Nicaraguan officer. The group was released near San Carlos, Nicaragua, where the group was apparently taken.

Marcos Gonzalez Hidalgo and Santos Gonzalez, who are apparently fishermen, are among the Costa Ricans who were travelling with the consul.

El Salvador

Further on Reaction to Clinton's Victory Noted

Party Officials React With Optimism

PA0611023492 San Salvador LA PRENSA GRAFICA in Spanish 5 Nov 92 p 3

[Text] The first reactions to Bill Clinton's victory by local politicians yesterday were of congratulations, optimism, and trust that economic aid would continue.

Roberto Angulo, Congress president and vice president of the Nationalist Republican Alliance, congratulated President-elect Clinton on the support he received from the American people. Angulo said he is sure that "Mr. Clinton will understand the problems involving peace and reconstruction that El Salvador faces," and, given the long history of solidarity that ties the nation with the United States, U.S. aid will continue.

Meanwhile, Fidel Chavez Mena, Christian Democratic Party leader, said that Clinton's victory will encourage democratic movements. In his opinion, it will contribute to the demilitarization and to the balance of justice, adding that Clinton's arrival opens the possibility to renegotiate the continuation of aid.

Ruben Zamora, Democratic Convergence leader, said that the thousands of Salvadorans who live in the United States are the greatest form of aid the United States can

give El Salvador. This, he said, is what should be a matter of concern for the Salvadorans.

Zamora said he trusts that Clinton's treatment of the thousands of Salvadorans who reside over there will be benevolent; this would be the best aid. "I would prefer that they take away the $200 million in foreign aid, and in turn allow the Salvadorans to live over there in peace."

Mario Aguinada Carranza [secretary general of the National Democratic Union] said that Clinton's victory will initiate a recomposition period for more democratic governments in Latin America.

FMLN, PDC Leaders 'Euphoric'

PA0611011892 San Salvador EL DIARIO DE HOY in Spanish 5 Nov 92 p 23

[Text] Local communists and Christian Democratic Party (PDC) leaders are euphoric over the victory by U.S. Democrat Bill Clinton, thinking the new government there will accelerate the reduction of the Salvadoran Armed Forces and the total suspension of military aid to the country.

Joaquin Villalobos, a leader of the Farabundo Marti National Liberation Front [FMLN], said the victory by the U.S. Democrat "will have positive results" in terms of the reduction of military aid and an increase in U.S. political support for the FMLN.

"We celebrate the Democratic triumph because in the 12 years of war and the year of peace, relations between the United States and the FMLN have been serious and constant," Villalobos told a radio station.

Concurring with Villalobos' very confident remarks was PDC leader Fidel Chavez Mena, who said the Clinton government "will support the processes of democratization and demilitarization" not just in this country but also elsewhwere in the area. He also predicted the political changes in the United States would also have impact on the government's economic adjustment program, which, he said, "have only helped the rich."

Communist Deputy Mario Aguinada Carranza of the National Democratic Union agreed with Chavez' assessment, saying that the Clinton victory "will strengthen democratization and demilitarization in Central America and especially in El Salvador." "This is a message from the people of the United States to the Salvadoran sectors opposed to the peace process," Aguinada stated.

In addition, FMLN leader Nidia Diaz voiced her satisfaction with the Democratic victory in the presidential elections because Clinton "is committed to the total suspension of aid and to a purging of the Armed Forces." She also predicted a reduction of U.S. meddling in Salvadoran internal affairs as a result of the reduction of economic aid to the country. "If Clinton keeps his promise of not meddling, that would give the country greater tranquility because everything is pointing toward the demilitarization of the country," the former terrorist said.

Salvador Mejia, member of the FMLN political commission, stated during a news conference on Wednesday, 4 November, that the "Clinton effect" will have an impact on the Cristiani government as far as the reduction of economic and military aid is concerned. In voicing his satisfaction over the Democratic victory, Mejia asked President-elect Bill Clinton to immediately suspend military aid to the Armed Forces.

The FMLN leadership also announced that their representatives will meet with the Clinton transition team as soon as possible.

A politician who declined to be identified said: "Until the fall of communism, leftists in this country served Soviet plans in the region. Now they are getting ready to be used by the United States...."

Ad Hoc Commission Claims Military 'Coup Attempts'

PA0511151392 Madrid EFE in Spanish 2237 GMT 4 Nov 92

[Text] Washington, 4 Nov (EFE)—Eduardo Molina Olivares, a Salvadoran lawyer who together with Reynaldo Galindo Pohl and Abraham Rodriguez formed the Ad Hoc Commission for purging the Army and who had to flee his country after he received death threats, said in Washington on 4 November that the peace process in El Salvador "is in grave danger. There have even been two or three coup attempts by the military."

Molina, speaking at the Washington Office for Latin America, a human rights organization, spoke of the "strong pressure" on Salvadoran President Alfredo Cristiani.

The Salvadoran lawyer said the victory of Democrat candidate Bill Clinton represents hope for his country and the rest of Latin America.

Molina criticized President Bush for "having doled out many millions of U.S. taxpayers' dollars to El Salvador that have been used to kill Salvadorans and make a handful of military officers rich."

The commission, of which Molina was an active member, was created after the peace agreements between the Salvadoran Government and the Farabundo Marti National Liberation Front were signed in Mexico on 16 January.

Speaking of the military coup attempts, Molina said "the intervention of the head of the U.S. Southern Command stationed in Panama was requested to prevent the most recent one." He did not mention the date of the attempt. He added that Bernard Aronson, U.S. assistant secretary of state for inter-American Affairs, also helped dissuade the military.

"In the present crisis, it is very important that the Salvadoran people and the international community support the peace process in El Salvador."

Regarding the confidential report on purging the Army that the Ad Hoc Commission delivered to Cristiani and the

United Nations on 23 September, Molina said it was "necessary because many of the evils plaguing the Salvadoran people are caused by the impunity that the military have enjoyed over the years."

Molina reported that all three members of the commission have been threatened with death, as have the members of the Truth Commission in charge of investigating the most serious human rights violations during the 12-year civil war in El Salvador.

He said the Armed Forces "do not want to relinquish the absolute power they have been holding for over 61 years during which they have been untouchable."

"Apparently Cristiani is a prisoner of the military and the extreme-rightists. Corruption in the Armed Forces is incredible," he said.

Molina said "Cristiani must complete the Army purge." He also said "some officers of the so-called Tandona [reference to the 1966 graduating class of the Captain General Gerardo Barrios Military Academy] do not want to lose their benefits, which they would if they are forced to retire prior to February 1993."

He accused the U.S. Government of "not being loyal to us" and of not having made good on its pledge "to provide ample information on the alleged abuses perpetrated by some military.

Molina admitted, however, that part of the information given to them served to identify the military men involved in drug trafficking and other crimes.

After reiterating the need for the international community to support the peace process in El Salvador, Molina criticized Cristiani for not heeding the commission's suggestions, including that of removing top military officers.

President Denies Claim; Discusses Clinton

PA0511151692 San Salvador Canal Doce Television in Spanish 0300 GMT 5 Nov 92

[Text] President Alfredo Cristiani denied reports related to alleged coup attempts disclosed by Eduardo Molina Olivares, stating that they were the result of the former Ad Hoc Commission member's active imagination.

During a recent news conference, President Cristiani rejected reports related to coup attempts against his government by some Armed Forces sectors as disclosed in Washington by former Ad Hoc Commission member Eduardo Olivares.

[Begin Cristiani recording] They were simply statements from a very active imagination. To be quite honest, General Joulwan and Mr. Bernard Aronson's arrival in El Salvador a few weeks ago did not have anything to do with what was reported by Mr. Olivares. It is regrettable that he should attempt to carry out politics with this issue, especially before those forums we are sure are only interested in hearing exactly what he has to say. [end recording]

When questioned with respect to the conduct of the Armed Forces high command, Cristiani pointed out that he trusts them, as they have shown themselves to be true professionals and obedient to civilian authority.

[Begin Cristiani recording] I trust the Armed Forces because I had received their support as an institution throughout my administration. Since we arrived in 1989 they have supported the government's objective of seeking peace through dialogue. In that respect I see no reason why I should not trust an institution that has given me such support. [end recording]

With respect to the election of Bill Clinton as U.S. president over his Republican rival, George Bush, the Salvadoran president stated that there should not be any major change in U.S. policies toward El Salvador.

[Begin Cristiani recording] During the last few years it has been a policy based on bipartisan discussions, that is, there has always been a lot of debate and discussion in the U.S. Congress in which both parties have been represented. I believe that will continue. We do not think there will be any significant changes in U.S. policies toward El Salvador. [end recording]

President Alfredo Cristiani made these statements during the opening ceremony of the 15th International Fair, which also was attended by high government officials and diplomatic representatives in El Salvador. The fair opened on 4 November and will close on 15 November. Thirty-five countries are participating in the fair for the first time following 12 years of armed conflict.

Defense Minister Denies Coup Attempt

PA0511232992 Mexico City NOTIMEX in Spanish 2108 GMT 5 Nov 92

[Text] San Salvador, 5 Nov (NOTIMEX)—On 5 November, the Salvadoran defense minister denied the report on alleged coup attempts against President Alfredo Cristiani's government, which had been made by a member of the Ad Hoc Commission that evaluated the Armed Forces officers.

"There have been no coup d'etat attempts," Defense Minister Rene Emilio Ponce stated at a news conference. He added that the charges against the Armed Forces "are an attempt to destroy and weaken it" at this critical moment in the pacification process.

Eduardo Molina, member of the commission that investigated the behavior of military officers during the armed conflict, asserted in Washington that there have been "two or three" coup attempts in El Salvador during the past days.

Molina said he and two other Ad Hoc Commission delegates had received death threats after the commission's final report was turned in on 23 September.

According to unofficial information, the report recommends the transfer or discharge of 116 officers, including the top command, which is headed by Ponce.

The commission's evaluation, which is based on the peace agreements signed in January, has been handled in strict confidence by Cristiani and UN Secretary General Butrus Butrus-Ghali.

The Salvadoran president denied the report on alleged coup attempts on 4 November, and said Molina's statements "were based on a very active imagination."

According to Ponce, "events happening in El Salvador are not isolated but part of a plot against the Army... however, the Armed Forces will maintain a calm attitude to attain the peace the people want."

Molina's statements were made a few days after General Juan Orlando Zepeda, the deputy defense minister, said Cristiani's acceptance of Butrus-Ghali's proposal was "risky."

The UN secretary general proposed that the general compliance of the peace agreements be postponed from 31 October to 15 December 1992.

The Farabundo Marti National Liberation Front accepted the proposal in its entirety.

Cristiani, however, said he would suspend the Army's demobilization and reorganization until the rebels begin to destroy the weapons used during the armed conflict, which lasted almost 12 years.

The implementation of several points ir the peace accords that refer to military reforms and especially to the purge in the military ranks has prompted a tense climate in the efforts to speed the effective compliance of the agreement.

Special UN Envoy Alvaro de Soto has been holding "intense" private meetings with the two parties in San Salvador since 30 October, to define mechanisms to "expedite" the culmination of the peace process.

Diplomatic sources have asserted that Alvaro de Soto, who is Butrus-Ghali's personal representative, has stayed so long in the country because he is studying the administrative measures prepared by Cristiani to implement the Ad Hoc Commission's recommendations.

FMLN Leader Comments

PA0611045992 San Salvador Canal Doce Television in Spanish 0200 GMT 6 Nov 92

[Report by Alfredo Villareal]

[Text] Joaquin Villalobos, leader of the Farabundo Marti National Liberation Front [FMLN], has said there are no conditions in the country for a successful military coup. He maintained, however, that [Ad Hoc Commission member Eduardo] Molina Olivares' claim is credible and must be taken into account.

Villalobos thinks Olivares' statements deserve full credibility because a commission he was a member of, he and two other attorneys, studied the files of more than 500 Army officers and is the product of the peace agreements. Villalobos questioned the viability of a coup d'etat at this juncture:

[Begin Villalobos recording] I really think a coup would be suicide, a crazy action. If there was anyone interested in staging a coup, they should go ahead and do it. I think if they realize they have paid a high price for all the things they did wrong, I think if they staged a coup d'etat these groups would pay twice that price. I do not think they have the least chance of succeeding, because they would face overwhelming isolation by the international community, and within the framework of the country's current political correlation, that would kill them. [end recording]

Villalobos thinks a purge of the Army is feasible because only a minority of officers oppose it. He commented on the position that the Armed Forces mid-level leaders could adopt:

[Begin Villalobos recording] I really do not think there is displeasure within the Army. Perhaps there is displeasure among a minority. There are 2,000 officers involved and 120 positions will be vacated, and they could be filled by others. I do not think other officers will be displeased... [Villalobos chuckles] when they will have the opportunity to move up the ranks and have a better job. I think that is a false thesis. I do not think there is displeasure. A minority group is obstructing this. [end recording]

Despite everything, Villalobos said the FMLN is keeping itself on alert in this new phase of the peace process.

Campaign To Mar Armed Forces Image Noted

PA0611050892 San Salvador Canal Doce Television in Spanish 0300 GMT 6 Nov 92

[Text] General Rene Emilio Ponce, the Salvadoran defense minister, has said that the parties of the left and Eduardo Molina Olivares, a former member of the Army Evaluation Committee, are part of a campaign that seeks to mar the prestige of the Armed Forces. Ponce rejected the charges of coup attempts that Molina Olivares had made and he insisted that the work of the Ad Hoc Commission is partial.

Gen. Ponce made these statements after Eduardo Molina Olivares announced there were allegedly some plans to topple Salvadoran President Alfredo Cristiani. To this effect, he said that some congressmen have shown their parties seek to attack the image of the military institution and seek to mar the prestige of the Armed Forces before the international community.

[Begin recording] [Ponce] All of these leftist organizations and leftist political parties are waging an orchestrated campaign at the national and international level as a plot to weaken and destroy the Armed Forces.

[Unidentified reporter] Could it then be said that this is also part of what Molina Olivares is doing, and also of what is being done at the Legislative Assembly when they discuss an interpolation? [end recording]

Gen. Ponce insists that the statements by Dr. Molina Olivares are biased and are part of a plot against the Armed Forces.

[Begin Ponce recording] They definitely do not lean to the right, but to the left. Unfortunately, in this country as well as in other countries of the world, the leftists always consider the Armed Forces as a potential enemy, and their basic goal is to destroy and to weaken the Armed Forces. That is what we are seeing at this time. [end recording]

To answer the deputies who seek to summon him to answer the alleged extra limitations of certain military chiefs, Gen. Ponce pointed out that the deputies should think about other types of illegal actions.

[Begin Ponce recording] What is more unconstitutional? For the Armed Forces—who according to the Constitution serve the nation—to have meetings with certain groups of our society and to project themselves with civic military actions; or is it more unconstitutional—as one deputy of the National Conciliation Party said—for some politicians to endorse the Farabundo Marti National Liberation Front's being legalized as a political party when it has not yet abandoned arms? [end recording]

Gen Vargas on FMLN, UN Proposal, Truth Commission

PA0511152092 San Salvador EL MUNDO in Spanish 3 Nov 92 p 28

[Text] General Mauricio Ernesto Vargas, deputy commander of the General Staff, said on 2 November that the Army is willing to forget actions committed by the Farabundo Marti National Liberation Front (FMLN), within the framework of the guerrilla's motto of "Unity, justice, and forgetfulness [olvido]."

According to Vargas, it is necessary to trust the FMLN's decision to join society, so as to end impunity and to achieve reconciliation.

Vargas made reference to FMLN leader Joaquin Villalobos' recent statements in which he admitted that the guerrilla had committed some crimes. "They have accepted their responsibility, the truth is out. They should surrender to justice and then we will proceed to pardon them," Vargas pointed out.

Vargas said that the government had not accepted UN Secretary General Butros Butros-Ghali's proposal, but that the United Nations had been allowed to give the FMLN a deadline for its demobilization.

Vargas indicated that the government has made adjustments for the FMLN's compliance [to the new deadline], and while the United Nations makes arrangements to put an end to the guerrilla military structure, the government is carrying out—in a timely fashion—the actions corresponding to the Salvadoran Armed Forces.

Meanwhile, in reference to the Truth Commission's investigations, Vargas said that they are aimed mainly at putting an end to impunity. In our country, he added, "There are countless numbers of individuals who have violated the law and have gone unpunished."

As far as the Armed Forces' compliance with military issues, Vargas assured that ranks have been reduced by 38 percent; that is 24,000 soldiers.

Land Transfer to Former Combatants Begins

PA0611011492 San Salvador Canal Doce Television in Spanish 0300 GMT 05 Nov 92

[Text] On 4 November, the government began the first phase in the process of legally transferring land parcels to former fighters in compliance with the peace agreements. A spokesperson for the Farabundo Marti National Liberation Front [FMLN] said the allotment process began with a special act which took place in the town of San Nicolas Lempa, San Vicente Department. Government representatives and FMLN leaders participated in the event.

The land transfer process ensures that there are some 47,500 possible beneficiaries of the land allotment program, among whom are 7,500 former guerrillas, 15,000 former soldiers, and 25,000 inhabitants of the former conflict areas.

Guatemala

Serrano Congratulates Clinton, Notes Relations

PA0611020892 Guatemala City EL GRAFICO in Spanish 5 Nov 92 p 6

[Text] President Jorge Serrano on 4 November sent a message of congratulations to Bill Clinton for his victory in the U.S. presidential elections.

In his message to President-elect Clinton, Serrano stated: "With admiration we watched the U.S. elections and the respect for the majesty of the will of the people that chose you to rule the destiny of that great nation.

"On behalf of the Guatemalan people and government, I offer you my effusive congratulations and wish you the best for your country and the world. "May God enlighten you and guide your adminstration.

"Yours truly, Jorge Antonio Serrano Elias, President of Guatemala."

Commenting on future relations between Guatemala and the Clinton government, Public Relations Secretary Arturo Alvarado said that, as is logical, presidents leave a mark of their own personalities and ideas, as well as of their foreign policy.

This takes a considerable time, however, especially because that government is very big. In addition, it is felt that almost all Latin American countries are functioning in a perfect democracy. For that reason the problems that could be difficult, such as those dealing with human rights, have been overcome in most countries.

The economic topic is based on the budget approved by the U.S. Congress and does not depend on the new president but on that country's economy. In that respect, Alvarado felt that Clinton will take the steps he deems most advisable for the government of his country, in line with the new foreign policy he will implement starting in January.

When asked if the new administration could reduce aid to Guatemala, he noted it is good recalling the Guatemalan government has not requested any economic aid from that country.

He explained the cut in aid was scheduled in several countries, not just Guatemala, and it came as a result of that country's recent economic problems.

In his last remarks as a candidate, Clinton warned he would put greater stress on the creation of new jobs for U.S. citizens, even if that brought a reduction in the funds allocated for economic aid to the countries south of the Rio Bravo.

Interior Minister Denies Clandestine Prisons Exist

PA0511154492 Guatemala City SIGLO VENTIUNO in Spanish 4 Nov 92 p 6

[Text] Interior Minister Francisco Perdomo Sandoval on 3 November rejected charges made in Guatemala by humanitarian, union, and non-governmental popular organizations regarding alleged clandestine jails.

"These are ill-intended and inconsistent rumors, because as far as I know, there are no such illegal detention centers. What these sectors should do is present the evidence before the courts so that legal action can be taken," Perdomo said.

The minister said on 3 November during his interview with the Inter-American Human Rights Commission, that the visitors had forewarned him that Maritza Urrutia had said that she had been held in captivity at a secret location, but that he had replied to the OAS officers that these jails do not exist.

The U.S. Government will give technical assistance and training to security forces to fight common crime that affects Guatemala, Deputy Government Minister Napoleon Gutierrez Vargas said. He took office on 3 November.

The new official added that his post's main goal is to guarantee the people's life, security, and property.

Gutierrez stressed that there is a desire to combat impunity and corruption, such as organized crime, which day after day erode society; however, to counter this it is essential to have an efficient and well-prepared police force with basic resources.

He said that U.S. cooperation will lead to both countries strengthening their ties of friendship and resolve, because unfortunately, in the recent past this aid has not been available—aid that undoubtedly will benefit the population.

Honduras

Further on Reaction to Clinton Victory Noted

President Callejas Comments

PA0511161192 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 5 Nov 92

[Report by Eduardo Coto on statements made by President Rafael Leonardo Callejas in San Pedro Sula on 4 November—recorded]

[Excerpt] [passage omitted] [Coto] President Callejas also spoke about Bill Clinton's victory in the U.S. presidential elections.

[Callejas] I do not know what policy the U.S. president-elect will follow on Latin America. I do know that he supports the free trade agreement [NAFTA] between the United States, Mexico, and Canada.

According to information we have received from the current U.S. administration, there are no possibilities for Central America—especially individual countries of the region—to integrate with the NAFTA among the United States, Mexico and Canada in the short term.

That is the basic reason why we, assuming a responsible attitude, have proceeded to integrate regional blocs, first in Central America and later in the Caribbean. That is the reason for my visit to Jamaica. We are also promoting a free trade zone with Mexico, Venezuela, and Colombia so that we can confront the situation together. [end recording] [passage omitted]

Foreign Minister Comments

PA0511201692 Tegucigalpa EL HERALDO in Spanish 5 Nov 92 p 43

[Text] U.S. President-elect Bill Clinton's government will deal specifically with that nation's internal policies, whereas the U.S. international projection will be reduced drastically through the reduction of aid to Third World countries, the withdrawal of military bases, and actions to protect its market.

This is the opinion of Honduran Foreign Minister Mario Carias Zapata, who also explained that this is not a new U.S. policy, but just the continuation of a process started by President George Bush to deal with the huge fiscal deficit.

The foreign minister said the victory of Clinton and the Democratic Party is a new stage in the world's life and, in that regard, Honduras can and must compete with the rest of the world.

The analogies between Clinton and former President John F. Kennedy could be correct because the U.S. Democrats and their leaders have promoted interesting programs about democracy in Latin America.

"I believe the Democratic Party will maintain this outlook on Latin America to produce a merging of interests for democracy and the people's economic development," said the official.

Carias Zapata said the demilitarization promoted by the United States is due to the disappearance of the Soviet bloc, which represented a threat to it, and that the United States has diverted its defense budget toward development.

Carias Zapata said that this is important because "countries like Honduras and those of the Third World want the United States, as well as many European countries, to divert resources used for making weapons to create better sources and ties for development in our countries."

The change in U.S. international policy will only vary its relations with Latin American countries, but not the basic policy. However, they must wait to see who the officers joining Clinton in his administration will be.

Economy Minister Predicts 'Changes'

PA0511174292 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 5 Nov 92

[Interview with Ramon Medina Luna, economy and commerce minister, by unidentified reporter; date and place not given—recorded]

[Text] [Medina] It is too early to have definite opinions on the economic consequences that a new U.S. administration will have on Honduras. I believe that U.S. Government policy changes will probably be noticed, as far as we are concerned, in two respects. One is that U.S. aid will probably be reduced, obviously. We have been hearing about this possibility for a long time. I do not think that the situation will change with the new administration. We can expect a reduction in the so-called balance of payment aid. U.S. support, through the Inter-American Development Bank [IDB], will probably be reduced. This support is being used now to promote investment and exports. This reduction possibility can be surmised from statements made by Mr. Clinton during his election campaign.

This realization should lead us to double our efforts to stand on our own two feet and to grow based on our own efforts. I believe that this reduction policy is already being implemented. Now it will be intensified.

Another aspect that should be analyzed carefully is future commercial policies. We all feel that the U.S. trade preference policies being implemented through the so-called Caribbean Basin Initiative will be revised. This is probably true also for the General Preferential System, under which Honduras has been exporting to the United States. This must be analyzed carefully and must not be interpreted erroneously. By reviewing its preferential trade programs, the United States would not be assuming protectionist positions. It would be working on the possibility of eliminating preferential systems access to the U.S. market. This puts us on equal footing with the rest of the world regarding competition. This means that we must double our efforts to maintain, obviously, the preferential trade programs, or increase our efficiency to compete in the U.S. market. This is different from saying that the elimination of the preferential system means that protectionist attitudes are being assumed.

A clear indication of the presence of a protectionist policy would be an artificial, arbitrary, or discretionary adjustment of customs to unacceptable levels. On the average, the United States will maintain a 12 percent customs, considering that customs are part of the U.S. trade policy, which is unalterable because the United States is member of GATT. What happens is that our exports to the United States have paid lower customs. I think that we will be facing a U.S. revision of the U.S. trade preferential system.

[Reporter] Mr. Minister, regarding foreign investment in the Honduran manufacturing industry, could it be negatively affected by Bill Clinton's arrival in the White House?

[Medina] I do not think there will be too many changes as far as that sector's access to the U.S. market goes. You may recall that the textile and construction industries have not functioned in the framework of the Caribbean initiative or of the General Preferential System. We have been able to compete in the very important U.S. market on an equal basis with other exporters. I think that what could negatively affect us is that our investment promotion programs, which have attracted to Honduras many enterprises that want to export to the United States, will no longer receive U.S. Government support. This means that we will have to conduct promotional efforts on our own to continue attracting foreign investment to our country. From another point of view, I believe that we must consolidate our efforts to create a favorable and adequate atmosphere for investment, regardless of whether or not these investment enjoy U.S. support programs.

[Reporter] Mr. Minister, will Bill Clinton's arrival in the U.S. presidency hurt us or benefit us economically?

[Medina] It is logical and natural that there will be changes in our economic relations with the United States. We must be prepared to adjust to those changes. In general, I believe that we will have to live with any kind of change, but this should be seen from a positive view point, as the creation of opportunities for Honduras, because we are going to diminish our dependence on the United States. We will have to work harder.

Nicaragua

Chamorro Sends Message to President Bush

PA0511175992 Managua Sistema Nacional de Television Network in Spanish 2330 GMT 4 Nov 92

[Message from President Violeta Chamorro to U.S. President George Bush, dated 4 November 1992]

[Text] Mr. George Bush, President of the United States of America, Washington, D.C.

Dear President Bush: Throughout my struggle to achieve democracy, I have witnessed your leadership and understanding. I want to express my admiration to you today for your principles and programs, because they have permitted us to live in a world with less confrontation, when war might not have ceased to be a threat to future generations.

I want to express especially our appreciation for the help you have given to us to consolidate democracy in our country and in the Central American region. We are still struggling to achieve harmony amid changes, but we are a democracy and our efforts thus far would not have been, perhaps, as successful without your help.

Although many of our actions have been misinterpreted, we have achieved peace and stability. Frequently voters and critics, amid the struggles of the moment, overlook the biggest achievements of leaders. History, however, has a way of correcting those errors. Your efforts will be well remembered.

I have the conviction you will continue to be involved in world politics and I would be very happy to be able to continue to maintain a fluid dialogue with you. Once again, on behalf of the Nicaraguan people and myself, thank you. Lots of luck and best wishes for your family. Receive my most distinguished consideration,

[Signed] Violeta Barrios de Chamorro

President of Nicaragua

D. Ortega: Clinton Election To Improve Relations

PA0511184092 Managua Radio Ya in Spanish 1100 GMT 5 Nov 92

[Text] Daniel Ortega, secretary general of the Sandinist National Liberation Front [FSLN], believes that Bill Clinton's election opens the possibility of improving relations and of obtaining the disbursement of frozen U.S. aid. The former Nicaraguan president said that the U.S. people voted against George Bush to show they do not want any more wars, like those the Republican administrations have traditionally imposed. He also said President-elect Clinton has the opportunity to improve relations with his Latin American neighbors. The FSLN secretary general said a Democratic administration opens the opportunity to resume the dialogue that was maintained during the Carter Administration, but was interrupted by the Republicans. Commander Ortega urged Clinton to disburse the economic aid which is being withheld from Nicaragua after being promised by the current administration.

[Begin recording] [Ortega] The U.S. people have voted with hope for deep changes in the economic and social areas. They have also voted against war. It is significant that just one year and a few months after what is known as the Gulf War, the U.S. people have turned their backs on that military action and voted for a change. This should lead to a change in U.S. relations with Latin America and specifically with Nicaragua.

[Unidentified reporter] What direction do you think Bill Clinton will give to his relations with Latin America and with [word indistinct] in general?

[Ortega] The United States is facing the challenge of resolving domestic problems. I think this is the biggest challenge the U.S. Government will face. It is not an easy task. In its relations with the Latin American countries, I think the United States has the opportunity to see how it can mend those relations. I do not think there should be great expectations given the current situation of the world economy and the way that these relations are expressed at the international level [words indistinct] relations of the North with the South. The United States is obviously part of the North, but [words indistinct] [end recording]

Ortega also said the FSLN, as an opposition party in Nicaragua, is willing to establish political relations with the administration of Bill Clinton, who will take office in January.

Clinton's Election Ends 'Far-Right Agenda'

PA0511195092 Managua BARRICADA in Spanish 5 Nov 92 p 9

[Editorial: "Cautious Expectations"]

[Text] Although the circumstances leading to the election of Bill Clinton as president of the United States, in particular the economic situation, are strictly domestic, the change in the top leadership and the orientation of power in that country inevitably elicited contradictory reactions in Nicaragua.

President Bush's electoral defeat has caused three main types of reactions. The government rushed to request a dialogue with Clinton to start discussing the aid withheld and to renovate the previous alliance. The Reaganite rightists do not conceal their sorrow over the end of the Republican hegemony to which they committed themselves heart and soul during the war. They are now wagering that nothing will change in the U.S. anti-Sandinist policy. The reaction of the Sandinists has been rather cautious. They do not conceal their hopes for better U.S.-Nicaragua relations.

It is reasonable not to make too many bets on a Democrat policy in Nicaragua and Central America, a policy which has not yet been defined. The only clear thing at present is that Senator Jesse Helms' far-right agenda, which became the Bush Administration's official policy in the past few months above and beyond the two parties' consensus, has come to an end. Immediately at least, this represents a smashing blow to Helm's partners in Managua.

An entirely different thing is the medium-term political panorama. Historically speaking, the Democrats have not been less interventionist than the Republicans. The tendency to overlook Central America and reduce the amount of aid can introduce economic tension in the country, but could represent a political advantage in the long run. Everything depends on the degree of autonomy of the state and the ability of the various political and social forces to handle the new pressure modes.

Bush already belongs to the past. Yet he still has the chance to restore his image a little and contribute to this new stage, provided he makes good his pledge, which he made to President Chamorro, to release the frozen funds.

Lacayo Says H. Ortega 'Subordinate' to Chamorro

PA0511201992 Managua Radio Nicaragua Network in Spanish 1100 GMT 5 Nov 92

[Interview with Danilo Lacayo Lanzas, director of public relations and spokesman for the Presidency, by correspondent Luis Mora; place, date not given—recorded]

[Text] The Army organic law amendment will soon be a reality says Danilo Lacayo Lanzas, director of public relations and spokesman for the Presidency. He asserted that President Chamorro is the Armed Force's commander in chief, clearly signaling that military authority is subordinate to civilian authority.

[Lacayo] The president has said she makes decisions when she deems the time is right. Two things are clearly established in this recent communique: the military organic law will be amended and the Army will be reduced. The communique establishes very clearly that the Armed Forces chief is subordinate to President Chamorro. Its penultimate paragraph clearly indicates that the president has established that her government will guarantee respect for the Sandinist People's Army as an institution. It clearly establishes that military authority is subordinate to civilian authority, in accordance with Nicaragua's political Constitution. The document clearly establishes who makes decisions pertaining to the Army.

[Mora] [words indistinct] problems at the National Assembly?

[Lacayo] As you know [words indistinct]. The law will be amended with the help of legal advisers and will require time. During that period, we will see what the Assembly [word indistinct]. I hope the Assembly will be functioning normally. The president has already given instructions for legal advisers from the Army, Presidency, and other state organizations to begin working on this amendment of the military organic law, which will be the foundation of Nicaragua's future.

[Mora] [words indistinct]

[Lacayo] I cannot say yet because the organic law has not yet been studied. [words indistinct] will say how long the general and any other military personnel will remain in their posts.

[Mora] Was General Ortega right or wrong to issue a statement while the president was abroad?

[Lacayo] We are discussing this issue. The president has summoned Gen. Ortega to discuss his statement; to discuss issues of national interest and, obviously, to discuss the communique. Which issues? In addition to national stability, the need to amend the Army law to once and for all establish that military authority is subordinate to civilian authority.

[Mora] Will there be a new (?reduction in force) in the Army?

[Lacayo] That is not stated in the communique but it is up to the president. She is chief of the Armed Forces and she is the civilian authority. The military authority is subordinate to her authority.

[Mora] [words indistinct]

[Lacayo] That is clearly stated in the communique. The Army budget has been being reduced since 1990, and the finance minister has commented that the Army budget has decreased to the extent that the Army has been reduced.

[Mora] The president said she was going to call Mr. [as heard] Ortega, allegedly to complain over his remarks, which have been criticized by Nicaragua's civilian society. Nevertheless, you say this issue was not discussed this morning and that other issues were discussed. First of all, does the government feel that Ortega was right? Second, why has the president not shown her face; why does she appear with Ortega, concealing herself? We waited for her six hours [words indistinct]. We view this as a lack of consideration for the reporters, who have been here since 1100 without eating, and now they will not deign to come here to answer our questions. Second, I believe there are many issues regarding which the president must inform the people. Gen. Ortega's [words indistinct] in the first place. Ortega has shown defiance, and many figures in this country have said he staged a technical coup d'etat, yet the president has not [word indistinct]. In other words, what Ortega says (?is what counts). This communique states the president's position but what Ortega says is, in the long run, what counts in this country. [Lacayo] I believe that is a very personal opinion, Mr. Luis Mora, because instead of a question you have just made a political analysis. I sincerely

believe this communique has clearly established that President Chamorro has the final world. I believe the communique is very clear: it establishes who runs the country and who is under the president's authority. I respect your analysis and your point of view but the real situation is stated in this document.

Official Communique on Chamorro, H. Ortega Meeting

PA0511164892 Managua Radio Catolica in Spanish 2209 GMT 4 Nov 92

[Communique from the Presidency Information and Press Directorate issued in Managua on 4 November—read by reporter Guillermo Morales]

[Text] The Presidency's Public Relations Directorate and the Official Presidency spokesman report to all Nicaraguans that today, 4 November 1992, Her Excellency President Violeta Barrios de Chamorro held an important meeting with the command and general staff of our country's Army, led by General Humberto Ortega Saavedra, to analyze the elements that are necessary to guarantee peace, national stability, economic recovery, and all Nicaraguans' safety.

During the meeting, the president received a detailed report on the status of armed groups which still prevail in certain zones of the country and endanger the producers' and peasants' agricultural and cattle production. She stated her wish to ensure an efficient and close cooperation between the government ministry, the National Police, and the Army to guarantee the protection of all the producers and workers in the countryside, above all now that the 1992-1993 coffee harvest is about to start.

The meeting also reviewed the process for the disarmament of civilians, carried out with the meticulous management of the Special Disarmament Brigade since early this year, and which has resulted in the demobilization of 81 armed groups comprised of 22,823 men and women; the recovery and destruction of 43,000 rifles and other types of weapons, and 25,000 grenades, rockets, mines, and all kinds of explosives.

An agreement was also reached concerning the reduction process which started by presidential mandate in July 1990 and ended 26 months later, in August 1992. During this period the size of the country's Army was reduced from 80,000 to 16,200 men, thus becoming the smallest in the Central American region. The successful process for the Armed Forces' reduction has also been accompanied by a necessary reduction in military expenditures from 1990 to date. This represents clear evidence of her excellency the president's unequivocal pledge to achieve peace and adapt the Army's size to the new situation which prevails in the country; and it represents the best example of the Armed Forces' pledge to abide by the president's will and contribute toward the nation's stability.

The conclusion of the reduction process likewise leads to a process for the Armed Forces' modernization. The president of the republic ordered the drafting of regulations for a military organization law so it may become a military career norm on everything concerning the terms and posts each Army member will occupy in this new phase of the Armed corps—according to a constitutional mandate, the president of the republic, and the country's laws.

Her excellency the president stated her government will guarantee respect for the institutional rights of the Sandinist People's Army without precluding the military authorities' subordination to civilian authority as established by the political constitution of Nicaragua.

The president of the republic emphasized the need to increase the efforts aimed at guaranteeing an atmosphere of stability in 1993, so the national economy may truly generate an increase in production activities which are essential to create jobs and provide social benefits rightfully demanded by the most needy Nicaraguan citizens, and to sponsor a legal state which allows the people's legitimate right to protest without violating the rights of others and the citizenry's safety.

[Issued] Managua, 4 November 1992.

Cesar on H. Ortega Statement, News Conference

PA0611042192 Managua Radio Catolica in Spanish 2209 GMT 4 Nov 92

[Text] Legislative Assembly President Alfredo Cesar told a news conference he knows about the document read by General Humberto Ortega, clearly stating his position as head of the Army. Cesar said Ortega has revealed his game and clearly implied he will not relinquish power; adding Ortega is acting like Anastasio Somoza, the former Somoza family dictator who established Somozism in Nicaragua back in 1935.

[Begin Cesar recording] I received it while visiting Tokyo and I could clearly see it had a negative effect in that country. Most of the international community assumed President Chamorro had full control of the Nicaraguan Army and Mr. Ortega's statements have completely changed that assumption. His statements confirmed the Army under Mr. Ortega is an autonomous entity in this government. It does not obey President Chamorro and, consequently, it does not accept reductions in its budget—not to mention accepting that the president tell Gen. Ortega when he should go. This has caused a negative impact within the international community.

I also was able to talk about this issue with President-elect Clinton's advisers; and I think we will soon see a negative reaction from the U.S. Administration because, aside from what occurred in Nicaragua, they have an antimilitary policy toward Latin America. They believe the Armies should either be reduced to a minimum or eliminated, and the military budget should be used for the nation's social development. Consequently, within

this overall policy they discussed with me... [pauses] they also stated their concern about the effects that the issue of Gen. Ortega and the Sandinist People's Army [EPS] will have in Nicaragua. It is too premature to state what the Clinton administration's reaction will be. After all, it will be installed until January. However, the international community's overall reaction is definitely negative.

I honestly think, and I said this in a communique that I sent from Tokyo, Gen. Ortega showed his hand with that statement and that news conference. Whoever had any doubts in Nicaragua about Ortega's game have cleared those doubts. He has completely shown his hand. He said quite clearly that he considers the Army an institution that surpasses the presidents of the republic—clearly implying several presidents of the republic could come and go and he would remain in charge of the Army. He said he accepted no budget reduction, much less a date for his termination.

I think that, since Gen. Ortega has clearly revealed his game, civilian authorities—led by the president of the republic—must now decide what to do with him. We cannot deceive ourselves. The declaration issued by Gen. Ortega and the news conference he held here is—in my opinion—similar to the one given by Anastasio Somoza Garcia in 1935, when he prepared to install Somozism in Nicaragua. In fact, I have already started to gather documents on the news conference in which Somoza Garcia went over the Liberal Party's head and decided he and the National Guard would rule Nicaragua. Except for the difference in time and space, the same idea was outlined in this other news conference.

I believe Gen. Ortega has clearly tried to replace Sandinism as a political phenomenon—not to mention Somozism, which no longer exists in Nicaragua as a political phenomenon—through a new organization in which the Armed Forces are above the civilian society and above the civilian branches established in the country. Given the frank way in which Gen. Ortega has spoken, the only option left is for the civilian society to answer him, particularly President Chamorro.

I do not think the president's statement upon arrival in the country—I am aware of what she said—is [words indistinct]. In any case, two opinions prevail in Nicaragua. One is the opinion of Gen. Ortega, who said he will not leave. Although the president wants him to leave he will not leave before 1997. The other opinion is that of the president, who said he will leave when she wants him to leave. The Nicaraguans do not know which opinion will prevail until President Chamorro adopts a specific action. We will then effectively see if the president imposes her will over that of the Armed Forces commander general; or if Gen. Ortega imposes his military will supported by the EPS, thus installing a new cycle of miliary domination over civilian society in Nicaragua.

I honestly think this is no longer a political problem between factions and leaders. It has become a problem for all of society. Even the Sandinist National Liberation Front must be debating internally whether it is now irrelevant—like Gen. Ortega claims—or whether it is still a relevant political force in the country. The way Gen. Ortega expressed himself, he is above and beyond all the political and civilian organizations in Nicaragua. He said this quite clearly. The civilian society must now answer. I ask: Will Nicaraguan civilians be responsible for the installation of a new military dictatorship in Nicaragua? I believe President Chamorro will be specifically responsible for this because she has to make the ultimate decision on this. We will wait for further developments but, in my opinion, this is the darkest cloud that looms in Nicaragua's future. [end recording]

* Government Called 'Accomplice' of 'Pinata'

93CA0009A Managua LA PRENSA in Spanish 8 Oct 92 p 14

[Commentary by Roberto Silva Beltran]

[Text] Morality and shame—these are without a doubt two words with which the Sandinists are not familiar. Therefore, of course, these are things that cannot be asked of them, of course, but it is a sad and painful fact that their little children must carry this nightmare with them for the rest of their lives. This is the result of the idea that the best and first examples for children are their fathers. It is they whom they want to imitate, to be like. However, it is the "pinateros" themselves who do not correct these actions, these errors. On the contrary, they stubbornly persist in continuing and expanding them. Nor are they concerned about their children, either.

The "pinata" is known to everyone, but that is no reason to allow it or to agree to it. For this reason, it is worrisome that this government is not only tolerating these actions, but becoming an accomplice. For we can see that the Sandinists are now cheerfully giving, transferring, leasing, and selling the assets they have stolen from the state and their legitimate private owners in a routine public manner that is offensive to our people. It suffices to read the classified advertisements in the daily newspapers to note the bargains they are offering without shame or embarrassment. Things are being sold and leased—the houses in what were military settlements, plots of land in what were supposedly farm cooperatives, the beautiful building in which young men were recruited for military service in Ciudad Jardin, and the little houses allocated to the allegedly disabled near the Cabrera Cinema. There are many other examples, about which I urge you to read in the daily newspapers—not to mention the instances that are unknown and unpublished, but never forgotten. But absolutely surpassing all of this is the sale of what has been known as the 19 July Square, supposedly a public asset, at public sale. In the real-estate section of the classified advertisements section in BARRICADA on 4 October, this notice appeared: "I am selling a block of land, 19 July Square,

telephone 671014." It is public knowledge that very little remains of the once huge square. There are pastures, gambling houses, saloons, houses—and the rest is now up for public sale.

As for the so-called Ethics Commission of the Sandinists, of these usurpers—"thank you very much."

However, the painful and sad thing is that the future indemnification required to pay for these abuses will come from the taxes obtained from the pockets of our impoverished people. It is urgently necessary to appeal to the municipal authorities and/or the central government to put a halt to these scandalous and repugnant actions, which, even after two and a half years of the new government term, are continuing—and I repeat—with what seems more like complicity than tolerance. Morality and shame, however, are two things we cannot expect of these people.

Panama

Bomb Explodes at Attorney General's Office

PA0611144392 Panama City Circuito RPC Radio in Spanish 1421 GMT 6 Nov 92

[Text] An explosive device was detonated at the 34th Street entrance to the Attorney General's Office. [Panama City TV in Spanish at 1355 GMT on 6 November in a similar report adds: "Eyewitnesses said the bomb exploded just as the attorney general was entering along with other persons."] Several people were wounded, one of them seriously. Azael Moreno, one of Attorney General Rogelio Cruz' bodyguards, and Sergeant Iriarte were wounded. Iriarte was taken to Santo Tomas Hospital. The explosion seriously damaged the building, which has a large number of glass windows.

No Fatalities Reported

PA0611154392 Panama City Circuito RPC Radio in Spanish 1502 GMT 6 Nov 92

[Report by Jose Cortes from Santo Tomas Hospital—live]

[Text] Good morning, RPC Radio listeners. We are at the Santo Tomas emergency room where a large number of people are gathered who are relatives of those who were injured when an explosive device was detonated at around 0845 [1345 GMT] on 6 November at the Office of the Attorney General are gathered. Relatives and friends of the injured are trying to get information from doctors. We have the names of the people who were hurt: Jose Rafael Chiari, Sixto Gonzalez, Cesar Ramos Pena, Rafael Alberto Adames, Luis Nunez, Miguel Esquivel, Oreste de los Rios, Giovanni Olmos, Cesar Delgado, Orlando Sanchez, Luis Jimenez, and Mrs. Gloria Mclimo. We can say that of this group, the following are employees of the Attorney General's Office: Sixto Gonzalez, Rafael Alberto Adames, Miguel Esquivel, Oreste de los Rios, Giovanni Olmos, Orlando Sanchez, and Luis Jimenez. All these individuals are members of Attorney General Rogelio Cruz' staff of bodyguards.

We are going to listen to Sixto Gonzalez, an employee of the Attorney General's Office, who is currently being x-rayed. He gave the first statements about the incident, since he was present when the device exploded.

[Begin Gonzalez recording] I was sitting on the stairs of the building when the device exploded. [passage indistinct] [end recording]

RPC Radio listeners, we can say that none of the 12 people injured are in serious condition. After being held for observation for a few hours, they will be sent to their respective homes. It should be noted, however, that seven of the 12 people are members of the attorney general's staff of bodyguards employed by the Attorney General's Office. Five civilians and seven employees of the Attorney General's Office were injured when an explosive device was detonated at that office, specifically in the parking lot, where Attorney General Rogelio Cruz parks his cars every day.

We can also mention that the Santo Tomas Hospital emergency room is full of co-workers and relatives of the injured, but there have been no fatalities in this morning's incident.

20 December Movement Claims Credit

PA0611163892 Panama City Telemetro Television Network in Spanish 1614 GMT 6 Nov 92

[Text] The explosive device which was placed in the parking lot at the Attorney General's Office on 6 November caused a great amount of property damage in the area and destroyed several vehicles, including the attorney general's official vehicle. The police reported that some people were treated for bruises and other injuries and taken to the Santo Tomas Hospital, where their injuries were diagnosed as minor.

In a telephone call to Telemetro's television station, a male voice claimed credit for the attack in the name of the radical 20 December Movement.

Cruz Comments on Attack

PA0611155592 Panama City Circuito RPC Television in Spanish 1507 GMT 6 Nov 92

[Text] [Announcer] We interrupt our programming to bring you an update on the attack against the Attorney General's Office, which took place approximately 30 minutes ago. Alexandra Ciniglio talked to Attorney General Rogelio Cruz, whose whereabouts were unknown. Alexandra, we understand Attorney General Cruz is in his home. What did he tell you?

[Ciniglio] A few minutes ago, we talked to the attorney general, who, minutes after the attack, managed to get out of the Attorney General's Office and went home. At

this time, he is accompanied by some attorneys and he is in good condition. However, some of his bodyguards were wounded.

[Announcer] What else did the attorney general tell you? Why did he refuse to be interviewed?

[Ciniglio] He allowed us to tape him. However, he refused to give statements, because he plans to leave this matter in the hands of the National Police and the Judicial Technical Police, so they can conduct the investigation. He explained that he preferred not to speculate.

[Announcer] Did the attorney general mention to you who could be responsible for this attack?

[Ciniglio] No. He stated that he did not want to speculate. However, he suspects this may be related to drug cases, such as the case of Celeste International Incorporated that took place in the Colon Free Zone.

[Announcer] What did the attorney general tell you? Where was he at the time of the attack?

[Ciniglio] The attorney general explained that these individuals had carefully analyzed his movements, because the bomb went off exactly at the time he arrives in his office everyday. However, today, he miraculously arrived five minutes earlier and thank God, he escaped the attack unharmed. He was able to enter his office before the bomb went off. The shattered windows fell on him and his secretaries. We know that the Attorney General's Office building was affected, but no exact report on the wounded has been disclosed.

[Announcer] Did the attorney general say at what time he plans to address the nation or give statements to the press on this incident?

[Ciniglio] He did not say anything to that effect. The only thing we can tell you is that RPC Television held an exclusive interview with the attorney general. He has not met with other media, but he is in his home. He is in good condition. He is concerned over the fact that this is the first time that a bomb has gone off in the morning hours, when all public officials are in their office. He believes that this attack could have even resulted in his death.

[Announcer] Thank you very much, Alexandra.

Commission To Start Frozen Accounts Investigation

PA0511171392 Panama City EL SIGLO in Spanish 5 Nov 92 p 62

[Report by Yali Enrique Pitti]

[Text] Legislator Leo Gonzalez, president of the National Assembly Drug Commission, announced that if Attorney General Rogelio Cruz's dismissal does not take place during the next few days, he [Gonzalez] will be forced to personally launch an investigation into the release of "questionable accounts" held by several local banks.

Leo Gonzalez emphasized that the investigation team—formed by well known lawyers, legislators, finance specialists, and other professionals—has already been confirmed. They are all willing to initiate an investigation into 458 bank accounts frozen, since 1987, by the Office of the Attorney General. The team is also prepared to investigate those accounts that were released according to Attorney General Rogelio Cruz's direct instructions.

"If Rogelio Cruz's dismissal does not take place soon, I will present myself to the banks, along with a judge, to carry out the necessary inquiries and find out more about the accounts released by the head of the Office of the Attorney General. I will be forced to personally initiate the investigations to obtain more information, since it seems that no one is willing to investigate," Gonzalez said.

The president of the National Assembly Drug Commission insisted that his team, together with the appropriate authorities, will inspect the records of those banks that received instructions to freeze those accounts suspected of belonging to drug traffickers and money launderers, but were subsequently released several months later by Attorney General Rogelio Cruz.

Legislator Gonzalez did not dismiss the possibility that once the bank inspection had concluded, the names of the legal firms that had participated in arranging the release of frozen bank accounts would not be made public, in addition to the owners of the previously mentioned accounts released by Attorney General Rogelio Cruz.

Of the 63.2 million balboas in frozen accounts of alleged drug traffickers, to date, there is only information related to the existence of 23.3 million balboas frozen and distributed among 393 bank accounts. Of this amount, only 66 bank accounts have available funds.

The banks to be visited by members of the National Assembly Drug Commission, intent on clarifying issues related to the funds released, include the following institutions: Banco Del Comercio, Banco Nacional de Panama, The Chase Manhattan Bank, and Banco Interoceanico de Panama, Limited (INTERBANCO).

The National Assembly drug commissioners will also be able to undertake an in-depth investigation into the connection between former President Ricardo de la Espriella, with the Siracusa Trading Corporation, Incorporated; and Banco del Comercio, where several managers checks were issued in favor of the former president.

The Siracusa Trading Corporation, issuer of several Banco del Comercio managers checks to former President Ricardo de la Espriella has been linked to drug trafficking and money laundering. It has not yet been clarified why the former president received money from

the above mentioned company and what Attorney General Rogelio Cruz's role is in the freezing and release of company accounts linked to De la Espriella.

The companies being investigated by the National Assembly Drug Commission for their alleged connections to money laundering and drug trafficking operations are: Cristal and Wing Corporation; Ripon Holdings Corp.; Comercializadora Babon Inc.; Inversiones Gobelin; Siracusa Trading Corp.; Aragonia Investments Corp. All of these stock companies at one time held, or still conduct, business transactions with local banks.

Gonzalez Notes New Evidence

PA0611134992 Panama City Radio KW Continente in Spanish 1214 GMT 6 Nov 92

[Report by Luis Alberto Jimenez]

[Text] New evidence of corruption against Attorney General Rogelio Cruz, former prosecutor Carlos Herrera Moran, and other Attorney General's Office officials surfaced after speaking to Stephen De Castro, Legislator Leo Gonzalez has stated.

The suits either do or do not have grounds and the suit I filed is based on the evidence presented, which warrants an investigation into the crime reported until the truth is determined, Legislator Leo Gonzalez said. He stated that this will be the task of Solicitor General Donatilo Ballesteros, adding that many attorneys consulted by him believe that the suit must be accepted.

[Begin Gonzalez recording] I and several respectable attorneys of this country, many of whom are former members of the Supreme Court of Justice, agree on the fact that the attorney general cannot free frozen drug accounts. That is why the suit is based on extortion [concusion], namely forcing bankers to free funds that belonged to the state. [end recording]

Legislator Gonzalez indicated that his suit was always described as political, however, they are gradually yielding results.

[Begin recording] [Gonzalez] I remember when they stated that the Herrera Moran affair was an invention I had made and was a political suit. Well, he is involved in a serious offense and he will end up in jail, because I have a document—which I will later make public—implicating him directly in the extortion of $9,000 from Mrs. De Castro, together with prisoner Diaz, who came in and out of jail as he pleased.

[Unidentified reporter] Did you obtain this information from a visit or conversation with Mr. De Castro?

[Gonzalez] Well, I had a meeting with Mr. De Castro at the Modelo Jail. He gave me several informal details. He refused to sign a document, unless I could guarantee his personal security. Now, I am not.... [pauses] The accusation that I just mentioned was made by the mother of prisoner Ricardo Raul Diaz, who came in and out of jail as he pleased. He was used [by Cruz and Herrera Moran] and taken out of jail to commit their offenses and he was later sent to a hospital. They took him out of the hospital to commit another crime and so on. They used him as a slave. Who am I referring to? I am referring to prosecutor Herrera Moran, attorney Fuentes, a partner of Herrera's law firm, and according to Diaz' mother, Attorney General Rogelio Cruz, as well as former Modelo Prison Director Gutierrez. [end recording]

Solicitor General Donatilo Ballesteros currently has approximately 45 days to conclude his investigations and issue his juridical opinion for forwarding to the Supreme Court of Justice, if accepted, or dismiss the case, if rejected.

Notes 'Influence Peddling'

PA0611152792 Panama City EL SIGLO in Spanish 6 Nov 92 p 16

[Report by Yali Enrique Pitti]

[Text] Leo Gonzalez, president of the National Assembly Drug Commission, stated that Attorney General Rogelio Cruz is not inclined to keep his promise to arrest District Attorney Carlos Herrera Moran and former Modelo Jail Director Humberto Gutierrez because, as is the case with these two officials, Cruz could also be involved in an "influence peddling" network that proceeded to release drug traffickers in exchange for large sums of "commissions."

Leo Gonzalez revealed a letter to this reporter, signed by Mrs. Maritza Gonzalez de Diaz, mother of drug trafficker Ricardo Raul Diaz Gonzalez. According to the legislator, the letter involves Attorney General Rogelio Cruz, District Attorney Carlos Herrera Moran, and former Modelo Jail Director Humberto Gutierrez in the preventive measures [medidas cautelares] offered to drug traffickers and to other criminals confined in prisons throughout Panama. These criminals were charged large sums of money in exchange for their release.

The president of the National Assembly Drug Commission said Attorney General Rogelio Cruz had promised he would arrest Carlos Herrera Moran and former Prison Director Humberto Gutierrez after learning of the existence of Mrs. Maritza Gonzalez de Diaz's letter, and after having received other reports related to the "influence peddling" network that in the past months has been charging drug traffickers "commissions" to arrange their release.

Legislator Gonzalez pointed out that there has always been a plan to confuse the public by stating that his disclosures against some officials assigned to the Attorney General's Office are politically oriented. "There is nothing political about this. What we have is clear cut evidence and testimony from persons indicating significant corruption within the Attorney General's Office," Gonzalez pointed out.

He restated that after evaluating Mrs. Maritza de Gonzalez's letter and forwarding it to the attorney general, he gave Mr. Cruz a reasonable amount of time to arrest District Attorney Carlos Herrera Moran and Humberto Gutierrez. Unfortunately, nothing has been done and the two public officials have not been arrested.

Legislator Gonzalez, a member of the Nationalist Liberal Republican Movement party, said: "I would like to know where are all the people who were imprisoned charged with drug trafficking? Is there really an influence peddling network that has been releasing these people from prison by accepting payoffs? These were the questions we asked Attorney General Rogelio Cruz. They are not politically oriented but merely reflect the National Assembly Drug Commission's intent to clean up the handling of justice in our country."

The legislator added that the Movement of Unionized Lawyers, instead of paying for advertisements in the local media aimed at confusing the Panamanian people by having them believe that the disclosures against public officials at the Attorney General's Office are political, "should instead, carefully read Mrs. Maritza Gonzalez de Diaz's letter, which implicates District Attorney Carlos Herrera Moran, Attorney General Cruz, and former Prison Director Humberto Gutierrez in dishonest conduct within the Attorney General's Office."

PRD Hopes for Better Relations With Clinton

PA0611024892 Panama City ACAN in Spanish 2235 GMT 5 Nov 92

[Text] Panama City, 5 Nov (ACAN-EFE)—The opposition Democratic Revolutionary Party (PRD), the political branch of the previous military regime in Panama, trusts that Bill Clinton's Democratic government will improve its relations with Latin America, PRD President and Legislator Gerardo Gonzalez said on 5 November.

"We hope that the Democratic administration will have better relations with Latin American countries because it is more respectful of the domestic affairs of each nation," Gonzalez told ACAN-EFE.

In this regard, he recalled that General Omar Torrijos, the Panamanian chief of government, signed the Panama Canal Treaty in 1977 precisely with Jimmy Carter's Democratic administration.

According to the "Torrijos-Carter" Treaty, the U.S. military presence will end in December 1999 and the Canal, its surrounding areas, and military bases will be turned over to Panamanian control.

Gonzalez told ACAN-EFE that Clinton's victory represents an end to a "criminal" policy by former Republican President Ronald Reagan toward Latin America and several leaders of the area whom he viewed as political "enemies."

The Panamanian legislator recalled that Reagan shaped his "warmongering" policy toward Latin America in the "Santa Fe" document and that President George Bush ordered the invasion of Panama in December 1989, an invasion that put an end to 20 years of military regimes in the country.

Gonzalez said that "regardless of whether they are Republicans or Democrats," the imporant thing is for the United States to comply with the letter and spirit of the 1977 treaty.

The U.S. Southern Command has more than 10,000 troops stationed in Panama, distributed in military bases along the Canal. The Canal is 80 km long and more than 40 ships from all over the world pass through it every day.

Gonzalez concluded: "The only ones who should fear the new Democratic administration are those who kissed the gringo tanks during the invasion and cheered the crime against thousands of Panamanians ordered by Bush."

Linares Criticizes Secrecy of Bill 9670 Changes

PA0511215292 Panama City EL PANAMA AMERICA in Spanish 4 Nov 92 p 16B

[Report by Orlando Mendieta]

[Text] Foreign Minister Julio Linares criticized the surreptitious way that the U.S. Government decided to approve changes to Bill 9670 that regulates Panama Canal operations.

According to Linares, the inclusion of changes to the bill is no reason for criticism, because just as Panama is preparing to receive the Canal, it is obvious that the United States by way of internal legislations, is also preparing to hand it over.

However, Linares points out that what is open to censure is the fact that it was done secretly and the Panamanian Government had to find out about it several days after it had taken place.

The foreign minister said that he is awaiting the return of the Panamanian members of the Canal Commission, currently in the United States, in order to meet to evaluate the situation.

The Foreign Minister indicated that as soon as the Panamanian commissioners have returned to Panama, the bill will be examined and the appropriate measures will be taken.

Reports from the United States point out that the U.S. Senate and Congress approved changes to Bill 9670 through its budget legislation.

According to the reports, the modifications included changed the tonnage measurement of the ships transiting the Canal, creates an agency to handle the dissolution of the Canal Commission, as well as a fund to cover

expenses that may remain pending after the Canal has been transferred in the year 2000. Said fund will be established from the toll revenues collected from the ships passing through the Canal.

Southern Command Restricts Area Access to Members

PA0511154592 Panama City EL PANAMA AMERICA in Spanish 4 Nov 92 p 2

[Report by Juan M. Diaz]

[Excerpt] On 3 November, Panamanian Foreign Minister Julio Linares regreted that Southern Command authorities restricted access of its members to some locations in the Panamanian territory as a security precaution.

He said that this decision by the U.S. military authorities obligates Panamanian security forces to apply measures to guarantee the well-being and security of everyone living in the country.

Linares also said that some of the terrorist actions that took place in the country in the past months apparently did not originate with groups whose training could endanger the country's democratic stability. [passage omitted]

Argentina

Menem Sends Letters to Bush, Clinton

PY0511160992 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1257 GMT 5 Nov 92

[Text] Buenos Aires, 5 Nov (NA)—President Carlos Menem has written two letters: One to U.S. President George Bush and one to U.S. President-elect William Clinton. In the first, he congratulates Bush, saying that he successfully faced "the challenge of the Cold War transition." In the second, he ratifies the commitment to "work jointly" to strengthen the ties of friendship between the two nations.

The text of the two letters was released to the press at the Olivos Residence after the National Cabinet meeting started. Congratulating Clinton "very warmly," Menem says that he followed with great interest the electoral campaign, which climaxed with Clinton being elected president.

Menem adds: "I was extremely satisfied to see that during your campaign the Argentine Republic and some of the policies being implemented by my administration were mentioned. These comments reflect the close friendship and cooperation ties that bind our countries."

Menem says: "Confident that we will soon meet to personally discuss relations between our two countries, I send you, Mr. President-elect, my kindest and most considerate regards."

His letter to President Bush, which begins with the words Dear George, Menem says: "During your administration, the United States successfully faced the challenge of the Cold War transition into a new order, which began with the fall of the Berlin Wall."

"During your period in office, and within the framework of this new international order, Argentine-U.S. relations reached an exceptionally good level of understanding, to the benefit of our peoples."

Menem adds: "This understanding between our two countries has contributed to a more mature bilateral cooperation which has bound us closely in the defense of common values that favor the implementation of regional integration policies."

He adds that Bush "followed the transformation process being implemented in Argentina, thus allowing our bilateral relations to become more mature and solid, like those of free and democratic peoples."

Menem concludes by saying: "My friend George, I earnestly wish to preserve the friendly relations we have enjoyed over the past few years. To this extent, I hope we have the opportunity of meeting often in the near future."

Calls Clinton

PY0511195492 Buenos Aires TELAM in Spanish 1831 GMT 5 Nov 92

[Text] Buenos Aires, 5 Nov (TELAM)—U.S. President-elect Bill Clinton expressed this afternoon to his Argentine counterpart, Carlos Menem, his conviction that relations between the two countries will be "strengthened" and that "there will be an opportunity for a personal meeting."

Clinton made this comment a few minutes after 1300 during a telephone call made by Menem to the triumphant Democratic candidate from the Olivos residence to Little Rock, Arkansas, to verbally reiterate his congratulations on the electoral victory.

This information was provided by Communications Secretary Raul Burzaco in the Government House press room.

Di Tella Compares Bush Defeat With Churchill

PY0511221492 Buenos Aires CLARIN in Spanish 5 Nov 92 p 3

[Article by special correspondent Alberto Amato]

[Text] Beijing—Foreign Minister Guido Di Tella is certain that Democrat Bill Clinton's victory in the U.S. presidential elections will not affect Argentine-U.S. relations, which Di Tella himself recently recommended should be a very close and brotherly relationship.

Shortly after the results of the U.S. presidential elections were known in the PRC, Di Tella said: "To talk about the developments in the United States one needs to mention some anecdotes." "Clinton represents the Democratic Party's conservative wing; likewise, George Bush represents the Republican Party's liberal wing," commented Di Tella in referring to the successor of Ronald Reagan, the mastermind of the so-called conservative revolution of the 80's in the United States.

In an attempt to make comparisons, Di Tella noted the similarity between the decision of the British after the war and the voting of U.S. citizens on 3 November: "The same thing that happened in the United States happened with Winston Churchill after World War II when the British said: 'Very well, we have won the war, now we are going to vote for someone else. And they elected Attlee.'"

"The United States won the Cold War. The Western Hemisphere, led by the United States, won the Cold War. It won the war with the enemy's unconditional surrender. Now U.S. citizens have done the same as the British and have said: 'You have won the war. We are going to vote for the opposition party.'"

According to Di Tella, "the Democrats' international relations policy is going to be a soft [preceding word in English] policy. International relations were gradually becoming less important to the United States and will

become even less important in the future. Clinton seems to have listened to the polls, which indicated that only 5 percent of the ordinary U.S. citizen's interest is focused on foreign policy."

Di Tella's doubts regarding the new situation seem to boil down to a single key question: "Has the United States started an isolationist era?" The foreign minister's answer to this question is what Clinton's supporters maintain: "An elephant cannot hide."

Di Tella added: "Neither can the United States ignore international problems. The only thing is that it will not play such an important role as it did in the past, when the nuclear threat existed, a threat that has been completely eliminated."

Di Tella Meets Kelpers in London, Arrives in Beijing

PY0511210092 Buenos Aires TELAM in Spanish 1041 GMT 5 Nov 92

[By special correspondent]

[Text] Beijing, 5 Nov (TELAM)—Foreign Minister Guido Di Tella has met with a group of kelpers [Falklands Islanders] in London and explained to them the structural changes that have taken place in Argentina.

This meeting, which Di Tella called "informal," was the first contact between an Argentine Government official and residents of the Malvinas Islands since the South Atlantic war ended in June 1982.

Di Tella said after the meeting that he heard out "the various positions of the islanders toward Argentina," adding that although "we do not want to raise false hopes, we believe that this sort of talks 10 years after the war is very helpful to evaluate the various positions."

Argentine Ambassador in London Mario Campora organized the meeting which was held at a London restaurant. At this meeting the four residents of the Malvinas Islands made it clear that "they did not represent" the nearly 2,000 inhabitants of the archipelago upon which Argentina has a sovereignty claim.

Although Di Tella called the meeting "interesting," he emphasized that the kelpers "did not tell us that they agreed with our position (regarding sovereignty), but they were amenable to dialogue, thus displaying goodwill and friendliness."

The Argentine Foreign Minister arrived in Beijing from Great Britain and the United States where he met with several campaign advisers of brand-new President-elect Bill Clinton.

Brazilian Ministers React to Argentine Measures

PY0511153792 Buenos Aires CLARIN in Spanish 29 Oct 92 p 11

[Article by Eleanora Gosman, CLARIN correspondent in Brasilia]

[Text] The five ministers, two Argentine and three Brazilian, who met yesterday in Brasilia reiterated the political will of the two leading partners within Mercosur [Common Market of the South] to go ahead with the integration process. However, something changed in the regional scenario, namely the turnabout in Argentina's economic policy that Economy Minister Domingo Cavallo announced yesterday.

Cavallo, whose flight was delayed for more than four hours, arrived in Brazil accompanied by Foreign Minister Guido Di Tella. Cavallo had only 70 minutes to explain the new rules and aims of the game to the Brazilian ministers present at the meeting.

Economy Minister Gustavo Krause, Foreign Affairs Minister Fernando Henrique Cardoso, and Industry Minister Jose Eduardo Vieira were only able to take down notes. When the meeting was over—and Cavallo was about to board the plane to Rio de Janeiro—an improvised news conference was called. The start of the conference fell to Cardoso, who has quite an influence on President Itamar Franco. He stated that "we have exchanged information on how to reconcile the macroeconomic policies of both countries."

He then acknowledged Argentina's friendly gesture by saying: "On behalf of my government I would like to convey my deepest appreciation for the deference Minister Cavallo showed to us by coming here to explain to us the gist of the new economic measures before he officially announced them."

Cavallo tried to convince the Brazilian press that the new economic measures will have a negligible effect on Brazil. He said: "We have been working for five weeks to try to find a way of boosting our country's exports and bolstering investments." He explained that this new economic strategy saw the light of day after "making a thorough evaluation of the world economy and of the difficulties we started experiencing after the crisis confronting the European monetary system. This led us to anticipate that the inflow of capital in 1993 would dwindle away. We therefore had to devise mechanisms to improve the profile of our trade balance."

Officially, the Brazilians deemed the turnabout in the Argentine economic policy "reasonable," and Krause said that "Cavallo's program is realistic," though in fact he was not altogether convinced of it. A government official who did not want to reveal his name inadvertently commented that "we do not yet know what impact it will have on our economy. We will have to study this subject, but it seems pretty obvious that it will slow down our exports to Argentina." In Brazil nowadays, this is not

insignificant: It needs a significant trade surplus to collect the necessary dollars to repay its external debt. This year Argentina became a key piece of Brazil's strategy—it became Brazil's second most important trade partner after the United States.

The same person told CLARIN that at first glance "what Cavallo did was to institute a veiled devaluation." Even so, most people in Brasilia agree that the trade balance was highly negative for Argentina. Brazilians have committed themselves to taking some corrective measures, which include the purchase of oil from Argentina. To this end, contracts for the purchase of 800,000 barrels have already been signed and, as Brazilians have indicated, it may continue on a regular basis. They have decided to extend the October deadline for marketing the remnants of the 200,000 tonnes of flour Argentina had to sell them until December. (So far only 40,000 tonnes have been delivered). Moreover, Brazilians have decided to extend until 1993 the deadline for Argentine motor vehicle manufacturers to market cars in Brazil under the provisions of protocol 21 (which establishes a zero tariff). These cars had to be delivered to Brazil this year.

Krause, who has only recently been appointed as the successor to Marcilio Marques Moreira, was cautious about the issue. He stated that "Brazil understands the measures adopted by Argentina and believes that they are in principle compatible with Mercosur." Vieira went even further to say that "it is normal that economies which are so different from each other run into hurdles in their integration process. That is the case in the EEC at the moment." Krause pointed out that the fact that the increase in tariffs implemented by Argentina is not discriminatory toward Brazil was an important consideration.

Brazil

Franco Says Clinton Victory Not To Hurt Relations

PY0511220292 Rio de Janeiro O GLOBO in Portuguese 5 Nov 92 p 17

[Text] Brasilia—After sending a telegram congratulating U.S. President-elect Bill Clinton, interim President Itamar Franco emphasized that he believes that the Democrats' victory should not hurt U.S. relations with Brazil.

He said: "It was during Ronald Reagan's Republican administration that our commercial relations became more difficult. I believe there will be no problems in informatics. We do not have any problems with the Democrats."

Franco believes that it is only natural for Americans as well as for Brazilians to give priority to national interests. He did not want to comment if there are differences between George Bush and Bill Clinton because the most important thing is that Brazil and the United States maintain relations based on democracy and mutual respect.

Foreign Minister Fernando Henrique Cardoso said that Brazil looks at the U.S. elections as a victory for democracy and does not believe that bilateral relations will suffer a setback. He noted that the Republicans imposed restrictions on Brazilian products and that Brazil protested.

He added: "There is talk about a setback, about an exaggerated protectionism because Democrats always defended a less-flexible position on foreign trade. That was 20 years ago, and I believe the Democratic Party has changed."

This is the text of the telegram sent by interim President Itamar Franco to U.S. President-elect Bill Clinton:

"In 1949, President Roosevelt said that America should be the great arsenal of democracy. The best weapon of democracy is its ability for renewal within law and order. In the U.S. elections held yesterday, we saw a civic festivity not only for the United States but also for all the democratic countries, which include Brazil."

"Therefore, we join the American people in celebrating the victory of democracy. I would like to convey to Democratic candidate Bill Clinton the affectionate message of congratulations of all Brazilians with best wishes for success and with full confidence in the future of our relations, which currently are distinguished by an exemplary maturity."

Ministry Says Brazilians in Angola Free To Leave

PY0511183292 Rio de Janeiro Rede Globo Television in Portuguese 1500 GMT 5 Nov 92

[Excerpts] Brazilian citizens who are been kept hostage by UNITA [National Union for the Total Independence of Angola] guerrillas in Angola could be freed at any moment. Their withdrawal is guaranteed by an operation that was mounted with four airplanes.

The Capanga hydroelectric project is located 400 km from the capital city of Luanda, in Angola's interior, and is the largest project presently under construction in southern Africa. The dam is being constructed as a Russian-Brazilian joint venture. The Norberto Odebrecht company has 700 workers in that country, and when the guerrillas began advancing all Brazilians except for 36 workers withdrew. They stayed to look after the equipment. Odebrecht company communications director said UNITA took over the work area and conquered the airport, but they had no news about Brazilians wounded or kept hostage.

The Odebrecht company has mounted an operation to withdraw all Brazilians from the Capanga work area. Four Hercules airplanes are on standby in the region.

The firm is waiting for information that the hydroelectric project airport is still operational, and that UNITA guerrillas will not prevent Brazilians from leaving.

The last report we had last night said that UNITA would not prevent the exit of Brazilians from the area. [passage omitted]

With more details about the Brazilians being kept hostage by guerrillas in Angola, Andrea Luiz Acevedo reports live:

[Begin recording] The Odebrecht company has just released a report with the official list of Brazilians who remain at the Catanga project work area. The list contains the names of 25 employees, but seven of them are Angolans. The 18 Brazilians are engineers, technicians specialized in maintenance, and medical personnel. A while ago a Foreign Ministry official reported that the Brazilians are not being detained in that place in Angola, and that they can leave at any moment. [end recording]

Foreign Investments Decline 12.57 Percent

93SM0021B Rio de Janeiro O GLOBO in Portuguese 8 Oct 92 p 31

[Text] Brasilia—The political crisis that resulted in the impeachment of President Collor has caused a shrinkage in net foreign investments in our country, which totaled $880.7 million in September—a decline of 12.57 percent from the figure for August. This was the lowest net monthly inflow of investment capital since October of last year and the only monthly figure to fall below the average of $1 billion. The total for the period January-October was $12.4 billion, which was greater than the total for 1981 of $11.6 billion.

There was a slight reaction on the stock exchanges, which showed a positive balance of $36.7 million—a substantial improvement over the figure for August, which showed a negative balance of $80.4 million. Even so, foreign investments on the stock exchanges in September were far below those recorded in the preceding months of this year, which always exceeded $100 million and in March reached their highest point: $326.2 million.

Investments in the form of commercial paper in September were the lowest for any month of this year: only $11.1 million compared to $38.7 million in August. Loans in the form of bonds sold abroad totaled $229 million, which was $65.8 million below the figure for August. Investment capital acquired through banks—based on Decision [Resolucao] 63—declined by half in September from the figure for August (to $72.2 million from $141.1 million). Financing of Brazilian companies totaled $104.2 million, of which $38.6 percent was deposited and $65.6 million authorized.

* Mercosur Members Approve Measures in Brasilia

93SM0021A Sao Paulo GAZETA MERCANTIL in Portuguese 3-5 Oct 92 p 3

[Article by Maria Helena Tachinardi]

[Text] Brasilia—Representatives of Brazil, Argentina, Uruguay, and Paraguay last Friday [2 October] approved a number of actions in the context of Mercosur.

These actions are as follows:

1. Creation of a Commission [Comissao] on Intellectual Property, whose principal task is to establish common rules to prohibit the pirating of trade marks.

2. Creation of a Committee [Comite] on Technical Cooperation in the Common Market Group to coordinate the Mercosur projects with the Inter-American Development Bank (IDB), the UN Development Program (UNDP), and the EEC.

3. Working Subgroup 6 (on Maritime Transport) was charged additionally with responsibility for matters in the areas of river transport (Parana-Paraguay Waterway) and ports.

4. Creation of a Commission for Agricultural-Livestock and Agroindustrial Activities.

5. Creation of a Commission on Veterinary Products.

6. Approval of the classification established in the document relative to "plastic packaging and equipment in contact with food, the classification of food, and simulators."

7. Approval of the respective definitions of ingredients that are food additives, processing aids, or contaminants, and approval of the basic principles related to the use of food additives.

8. Approval of the technical regulation relative to establishing the identity and quality of food products.

9. A three-month extension of the deadlines prescribed in the Las Lenas schedule for the following cases: preparation of the final document relative to the defense against products that are the object of "dumping" [preceding word in English] by countries that are not members of Mercosur, or that are subsidized by said countries; preparation of a proposal concerning safety, games, and toys; measures prepared by Working Subgroup 7 (on industrial policy); and measures associated with Working Subgroup 10 concerning a common tariff on imports.

10. At the meeting of the Common Market Group, plans were made for a specialized meeting on the subject of culture.

11. Plastic packaging and equipment that are destined to come into contact with food will be subject to new regulations.

12. Approval of the provisions of civil liability insurance issued to the owners and/or drivers of land vehicles.

13. The private sector will assist in forming the sectorial groups in accordance with the Mercosur directives.

14. The initial meeting of the ministers of agriculture will be held during the Mercosur Council meeting on 18 December in Buenos Aires.

15. The Brazilian delegation raised two important points at the meeting [last Friday]: the necessity for compliance with the maximum dimensions for trucks, and revision of the tax collected by Argentina solely on Brazilian trucks.

16. An informal commission will be created to deal with the subject of the joint enterprises of the four countries.

* Petrobras To Increase Technological Investments

93SM0021D Rio de Janeiro O GLOBO in Portuguese 8 Oct 92 p 29

[Text] Petrobras [Brazilian Petroleum Corporation] President Benedicto Moreira has acted to expand the company's research and technological development by increasing its investments in that sector. Petrobras' board of directors approved an increase in the funds allocated for investment in research and technological development to 1 percent of the state enterprise's gross revenue, which is on the order of $13 billion (87.7 trillion cruzeiros at the current exchange rate) per year. This percentage exceeds the investments made by multinationals such as Exxon, Texaco, Shell, and Chevron, which in 1990 invested less than 1 percent of their revenues in research. Only the French ELF [Gasoline and Lubricants Company of France] invested more than 2 percent, while British Petroleum also allocated 1 percent to defray its expenditures on technological development.

In recent years Petrobras had been investing—through the Leopoldo Miguez de Mello Research and Development Center (Cenpes)—an average of 0.7 percent of its annual revenues, or approximately $100 million (674.9 billion cruzeiros). According to Petrobras, during the period 1989-90 the innovations contained in Cenpes' technological research projects yielded profits on the order of $450 million (3 trillion cruzeiros).

"We are going to reinforce and expand Cenpes' activities, by granting it more autonomy with the aim of strengthening Petrobras' system of research," Benedicto emphasized.

He added that Cenpes is planning to expand its research in fields other than that of petroleum—such as fine chemicals and petrochemicals—and may perhaps also sell its services, research, and technical assistance.

* Scientists Present Budget Proposal to Franco

93SM0021C Sao Paulo GAZETA MERCANTIL in Portuguese 9 Oct 92 p 9

[Article by Fernando Paulino Neto]

[Text] Rio de Janeiro—The Science and Culture Forum of the UFRG [Federal University of Rio de Janeiro] has submitted to Acting President Itamar Franco a document containing proposals for short- and medium-term solutions to Brazil's problems in the areas of science and technology, in response to the request Itamar made during a meeting at the Hotel Gloria before the Chamber of Deputies had concluded the impeachment process.

The scientists say that in order to "prevent the collapse of science in Brazil" a budgetary allocation of at least $500 million is essential for the recovery of universities and research institutes.

In the document—which was signed by the coordinator of the forum, the physicist Luis Pinguelli Rosa—the $500 million is divided into three portions: one of $250 million for the National Fund for Scientific and Technological Development (FNDCT); one of $150 million in development appropriations for the CNPQ [National Council for Scientific and Technological Development]; and another $100 million for associated research entities—a sum that will gradually increase in accordance with a multiyear plan.

The forum considered three other points to be central to national development: the training of human resources, a policy on science and technology, and an economic and industrial policy. With respect to the training of human resources, the scientists recommend revision of the program of the CIAC's [Integrated Centers for Child Welfare] (a measure already announced by Minister of Education Murilio Hingel) "to emphasize the training, retraining, and professional salary upgrading for teachers."

Pinguelli Rosa and the other scientists also pointed out to the acting president that "the federal centers for research and technological development were hard hit by budget cuts during the Collor administration" and therefore recommend revision of the destination of appropriations for these institutions, including the IBGE [Brazilian Institute of Geography and Statistics], Embrapa [Brazilian Agriculture and Livestock Research Enterprise], Fiocruz [Oswaldo Cruz Foundation], and Inmetro [National Institute of Metrology, Standardization, and Industrial Quality], among others.

In the section dealing with economic and industrial policy—the most extensive in the document—the scientists demonstrate the necessity for a "strong base of local research and high technology for the development of industry and agriculture." The document cites the example of Korea, which increased the percentage of

children graduating from secondary school from 27 percent in 1960 to 85 percent in 1983 in the corresponding age group. In the same period, income per capita increased from $100 in 1962 to $2,800 in 1985.

The document concludes by setting forth six points: The Ministry of Science and Technology should be strengthened by upgrading the institutions and agencies for scientific development; support for university research and for national institutes and laboratories should be emphasized; and the trend toward scrapping installed capacity for research should be reversed.

The document also emphasizes that the recession and the "indiscriminate opening of the market" constitute disincentives for research by private enterprise; asks for new funding (in addition to the funds from the Treasury) to finance scientific and technological research; and asks for implementation of the Program for Associated Research Institutions.

* Tokyo Bank Plans Expansion in Brazil, Mexico

93SM0021E Sao Paulo GAZETA MERCANTIL in Portuguese 3-5 Oct 92 p 15

[Article by journalist Cynthia Malta, who was in Tokyo recently]

[Text] Tokyo—The Bank of Tokyo—one of Japan's largest private banks—is studying the possibility of expanding its activities in Latin America and especially in Mexico and Brazil.

Its interest in Mexico—where the bank maintains two salaried employees as its representatives—is linked to the development of the free trade zone among Mexico, the United States, and Canada that was formalized by the signing of the North American Free Trade Agreement (NAFTA) last August. "We shall be able to establish a subsidiary or a branch with affiliated banks. Everything will depend on the way NAFTA is implemented," commented Shinichiro Kobayashi, the Bank of Tokyo's general manager for Latin America.

In North America (the United States and Canada)—where the bank has nine subsidiaries, two representatives, and 10 branches—its expansion plan was initiated in the middle of this year. In July the Union Bank—in which the Bank of Tokyo has a controlling interest—bought 33 branches of the Security Pacific National Bank and thereby became the fourth largest commercial bank in California. In Texas, the Bank of Tokyo has also reinforced its operations by opening a branch in Dallas and an office in Houston.

The bank's network in Latin America extends to 11 countries, with Brazil accounting for the largest number of its units (12) and also the largest volume of its business in the region. "Our assets total $500 million in Brazil and approximately $100 million in each of certain other countries such as Panama, Chile, and Argentina," Kobayashi says, by way of illustrating the importance of Brazil in the bank's activities.

Private Sector Is Healthy

"Brazil is the country with the greatest business potential in Latin America, and it is our intention to increase our operations there," Kobayashi disclosed, citing the leasing [preceding word in English] sector as one of the most interesting for the bank. He said, however, that he regretted the situation of political instability in Brazil and declared that "Japan's financial community would like to have Minister Marcilio remain in the Ministry of Economy."

Kobayashi believes that the bank's business operations can grow in the Brazilian market. "The Brazilian private sector is very healthy," he says, "and we want to work with it."

$5 Million for Usiminas

The choice of the private sector not only as a customer for the bank's financial operations but also as a partner in its business operations became apparent late last year when the Bank of Tokyo participated in the process of privatizing Usiminas [Minas Gerais Iron and Steel Company], one of Latin America's largest iron and steel enterprises. The bank is one of the 55 Japanese shareholders in the Nippon Usiminas company, which holds 13.8 percent of Usiminas stock. "We used $5 million of the Brazilian debt through the system of converting debt into investments in connection with the privatization of Usiminas," Kobayashi said. "Unfortunately, debt conversion is prohibited at the present time," he added. The Bank of Tokyo is a creditor in the amount of $730 million for loans granted to Brazil.

In Brazil, the bank is also a partner in Embraer [Brazilian Aeronautics Company] and in the Japanese trading company [preceding two words in English] Marubeni, which operates primarily in the coffee sector. General Manager Kobayashi explains that these partnerships are part of the diversification strategy that is being adopted by the Bank of Tokyo. In Argentina, the bank is a partner in the recently privatized Entel [National Telecommunications Enterprise] and is also involved in the paper and cellulose sectors and in companies that manage pension funds.

Chile

Rojas Downplays 'Detention' of FACH Personnel

PY0611010292 Santiago Radio Cooperativa Network in Spanish 2200 GMT 5 Nov 92

[Text] Defense Minister Patricio Rojas, in commenting on the detention in Nigeria of Air Force [FACH] personnel who had participated in the UN peacekeeping force, said it was just the result of a misunderstanding regarding the flight plan.

The FACH troops were detained for five hours in Lagos, Nigeria, during a stopover on their way back to Chile.

Minister Rojas was asked whether this incident would prompt the Chilean Government to lodge an official protest.

[Begin recording] No. I think it was just the result of a misunderstanding regarding the flight plan. According to what the colonel [not further identified] told me, the corresponding authorization to land had not been requested. Therefore, this is a mere anecdote. We were not on an Entebbe mission, we were on a peace mission. [end recording]

Minister Rojas commented on the mission carried out by FACH personnel in the UN peacekeeping force in Kuwait. He said: Chile has set an example by contributing to UN peacekeeping efforts.

Independent Candidate Pinera Outlines Program

PY0511171592 Santiago LA TERCERA DE LA HORA in Spanish 25 Oct 92 p 9

[Article by Homero Ponce Molina]

[Text] Independent presidential candidate Jose Pinera has said that he would like to obtain at least 4,000,001 votes in the next elections in order to be elected president. He also announced four major state reforms in his program, namely, debureaucratization, democratization, regionalization, and reduction in the size of the public administration.

With regard to debureaucratization, Pinera said that "it is essential for the modernization of the state to go beyond the chart changes proposed by Ricardo Lagos."

"We must radically reduce the number of bureaucratic steps. Interventionism still survives in current regulations," he said.

He emphasized the need to change the excessive bureaucratic steps and handling of documents for the sake of modernization, and to eliminate corruption. He was thus supporting a UDI [Independent Democratic Union] proposal on the subject which was submitted by Deputy Jaime Orpis.

Plebiscites

Pinera emphasized that there must be plebiscites at the community level to replace bad mayors, for which purpose he proposed the approval of plebiscite requests whenever backed by 20 percent of community residents, as happens in Switzerland or in some U.S. states.

He said he wrote a letter with this proposal to Eduardo Frei and Ricardo Lagos, who have not yet answered him. Pinera also proposed that the government headquarters be moved to the Fifth Region so as to be near Congress and thus increase its legislative work. He proposed that ministries be located in the regions that are more closely related with their functions, like mining and agriculture.

Reduction

As for the reduction in the state apparatus, Pinera said that "for a long time now I have proposed a major reorganization of the ministries. I believe the proposal by the Freedom Institute is quite realistic, and absolutely consistent with our own idea" of reducing the number of ministries from 14 to six. He added that part of the funds that will be spared through this reduction should be earmarked for improving the working conditions of public servants through productivity bonds.

Orlando Letelier's Remains Arrive in Santiago

PY0511215092 Santiago Television Nacional de Chile Imagen Internacional in Spanish 2330 GMT 4 Nov 92

[Text] The remains of former Foreign Minister Orlando Letelier were repatriated and buried at Santiago's General Cemetery 16 years after his death. The event was considered by his relatives as a call for reconciliation, peace, and justice in the country.

[Begin Secretary of Government Enrique Correa recording, in progress] ...dear friend, illustrious fellow countryman, the time for hate has ended, your beloved fatherland is in peace, we are getting used to freedom and we are learning to look at the future. Dear Orlando, welcome home. [end recording]

On behalf of the president, Enrique Correa, filled with emotion, welcomed Orlando Letelier's remains and read in front of the coffin the 1991 decree returning him his citizenship.

[Begin Isabel Morel Letelier recording] I am quite moved, but at the same time grateful for all I received from life. I thank God because Orlando is at last resting in his beloved fatherland. He is resting, even though not in peace because we have not seen justice yet. [end recording]

It was an emotional and solemn event continually followed by the memories of the former foreign minister's death in 1976 when a bomb destroyed the vehicle in which he and his secretary Ronni Moffitt were driving. Letelier's remains have been kept in Venezuela since then.

[Begin Juan Pablo Letelier recording] He bled to death. I cannot forget that image. You cannot repair that pain. But I feel a great calm because I do not feel hate or a desire for revenge. I have the honest hope of seeing him resting in Chile forever. [end recording]

Shortly after 0900 the funeral procession moved to the Dominican Church for a religious ceremony. Representatives of different beliefs prayed for peace, reconciliation [interrupted by background singing]. President Patricio Aylwin and most of his ministers, relatives,

friends, and Socialist Party members attended the ceremony. Catholic priest Percival Cowley said:

[Begin recording] However—and we have to say this with pain—in Chile we do not have complete reconciliation yet. We still need more truth and justice so that we can pardon and live in peace. [end recording]

A little after 1200 the funeral procession moved to the General Cemetery. Here Interior Minister Enrique Krauss reiterated the government's efforts to seek justice and find those responsible for Letelier's assassination. At 1414, the coffin was lowered into the tomb. The public man finally fulfilled his promise to live, die, and rest in his country after his death.

Navy Releases New High Command Appointments

PY0411213092 Santiago EL MERCURIO in Spanish 24 Oct 92 p C2

[Excerpts] Valparaiso—The Chilean Navy released yesterday the new appointments in the Navy high command, which were approved by President Patricio Aylwin on a proposal made by Navy Commander Admiral Jorge Martinez Busch. [passage omitted]

1993 Navy High Command

The following officers will be members of the Navy high command for 1993, which is comprised of one admiral, five vice admirals, and 21 rear admirals:

Admiral Jorge Martinez Busch, Navy commander in chief.

Vice Admirals Alfredo Gallegos Villalobos, chief of the Navy General Staff; Claudio Aguayo Herrera, general services director; Juan Mackay Barriga, Maritime Territory and Merchant Fleet director general; Jorge Llorente Dominguez, 1st Naval Zone commander; Jorge Arancibia, National Defense General Staff chief.

Rear Admirals: Eduardo Oelckers Sepulveda, 2d Naval Zone commander; Oscar Vidal Walton, Navy personnel director general; Sergio Jarpa Gerhard, fleet commander in chief; Sergio Garcia Greene, Naval Docks and Yards, Asmar, director; Carlos Schnaidt Parker, Navy General Staff deputy chief; German Goddard Duffeu, Navy education director; Ariel Rosas Mascaro, Naval aviation commander; Hugo Bruna Greene, 3d Naval Zone commander; Pedro Arrieta Gurruchaga, submarine force commander; Hernan Couyoumdjiam Bergamali, programs director; Roman Fritis Tampier, 4th Naval Zone commander; Arturo Oxley Duenas, Washington naval mission chief; Eduardo Berardi Gaete, London naval mission chief; Miguel Alvarez Ebner, Marine Infantry Corps commander; Francisco Sanz Soto, Navy supply and accounting director; Marcos Concha Valencia, naval engineering director; Andres Swett Serrano, intelligence director; Jorge Swett Browne, Navy weapons director; Enrique Caselli Ramos, Navy social welfare director; Walter Radic Prado, Navy auditor general; and Guillermo Oesterle Stehn, Navy Medical Service deputy director.

Members of 1993 Air Force Command Announced

PY0511132492 Santiago LA TERCERA DE LA HORA in Spanish 22 Oct 92 p 6

[Text] The following are the members of the Air Force high command for 1993:

General Ramon Vega, commander in chief of the Air Force;
General Fernando Rojas, chief of staff of the Air Force;
General Jorge Iturriaga, head of the Air Force mission in the United States;
General Patricio Araya, personnel commander;
General Jose de la Fuente, aeronautics director;
Brigade General Arthur Clark, engineering commander;
Brigade General Jaime Estay, chief of the logistics command;
Brigade General Nelson Maturana, administration and finances director;
Brigade General Maximo Venegas, operations director;
Brigade General Carlos Infante, intelligence director;
Brigade General Raul Tapia, inspector general;
Brigade General Leonardo Prado, anti-aircraft defense and telecommunications director;
Brigade General Adolfo Celedon, auditor general;
Brigade General Carlos Alvarez, commander in chief of the 3d Air Brigade (Puerto Montt-Temuco);
Brigade General Horacio Besoain, social welfare director;
Brigade General Enrique Montealegre, commander in chief of the 1st Air Brigade (Iquique-Antofagasta);
Brigade General Leon Duffey, national defense deputy chief of staff;
Brigade General Florencio Duble, commander in chief of the 4th Air Brigade (Punta Arenas);
Brigade General Oscar Boronig, training director;
Brigade General Gonzalo Miranda, commander in chief of the 2d Air Brigade and the Santiago Air Force garrison;
Brigade General Jorge Perez, health director.

Colombia

Congress Criticizes Counterinsurgency Strategy

PA0611035892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 4 Nov 92

[Report by Jose Luis Ramirez]

[Text] The House of Representatives' First and Second Commissions think the government, Armed Forces, and state intelligence organizations have lost direction in their struggle against the guerrillas, drug traffickers, and terrorists. They think it is time to clarify this situation and determine what position the Congress and Colombians should adopt.

[Begin Deputy Lucas Lebolo Conde recording] The strategy designed by the Defense Ministry for the past year has failed. If a change in strategy requires a change in personnel we would welcome it, however, we Colombians do not want to continue facing terrorism and permanent anguish. [end recording]

As a result, the House of Representatives on 4 November proposed calling a permanent session and refuse debating any bill until President Cesar Gaviria and his ministers appear before the House. The representatives want the government to explain its strategy to combat the Simon Bolivar National Guerrilla Coordinating Board [CNGSB], terrorism, and hired assasins. They also want it to explain the real public order situation facing Colombians.

[Begin Representative Luis Eladio Perez recording] The Armed Forces have not been honest enough to admit to the country they have not faced war successfully. We have been told this is due to a lack of funds and government support; however, we have never been told it is due to a lack of political determination. [end recording]

Meanwhile, the government reportedly thinks the representatives' decision to declare a permanent session and suspend parliamentarian work is tantamount to declaring a sitdown strike that the guerrillas would consider a success in their destabilizing actions.

[Begin Government Minister Humberto de la Calle recording] I think matters are being clarified here. Colombian society will try to determine, through the Congress, the true limits of state actions, but also what powers it has to defeat subversion. [end recording]

The CNGSB on 4 November sent a nine-point document to the Congress asking the congressmen to reject a bill regulating states of emergency. The CNGSB thinks approval of this bill would intensify war.

Gaviria Responds to Cattlemen's Call For War

PA0611040292 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 5 Nov 92

[Text] The National Cattle Breeders' Association [Fedegan] on 5 November made a desperate national call for an end to guerrilla violence. As the problem concerns everyone, the cattlemen called for an official declaration of war against the guerrillas so all Colombians can confront the crisis.

Just a few minutes ago, Jorge Bisval, president of Fedegan, said: Let us stop lowering our heads. Enough is enough, let us do away with this passive attitude. The only choice left with regard to the guerrillas is total war, he added. Bisval asked the president of the Republic to put an end to subversion and to the worst period of terror that the country has experienced in recent years. During the annual Fedegan Congress, Bisval said 652 cattlemen have been kidnapped, 154 have been murdered, and over 30 billion pesos have been paid to the guerrillas to release honest farm workers. These are our arguments in favor of radical action against the enemies of peace, he added.

[Begin Bisval recording] Let us stop lowering our heads; war cannot be avoided. Let us stop feeling guilty over the repression that is waged with the force of law and the reign of justice. The October terrorist escalation must be responded to definitely and firmly. The time has come to define ourselves. He who is not on Colombia's side will be against Colombia. [end recording]

This radical answer was shared by other strong associations.

[Begin recording] [Jaime Cordoba, president of the Association of Colombian Farmers] We hope that force will be used as required.

[Sabas Pretelt de la Vega, president of National Federation of Businessmen] We must evaluate the situation and show efficiency. Each commander and each general of a division or a brigade in his own jurisdiction must make it clear that he is in charge. [end recording]

The president of the republic immediately replied:

[Begin President Cesar Gaviria recording] Civilian authorities, political leaders, and businessmen cannot demand the government wage an all-out war against the subversives while they make private pacts with guerrilla commanders and make all sorts of concessions for their areas. The government legitimately demands cooperation with the authorities and a total commitment from the people to the forces of law. [end recording]

Some cattle breeders feel that to declare a war is merely to recognize the sad truth that our country has experienced for the last 40 years.

Ecuador

* Duran-Ballen on Stabilization, Privatization

93SM0024A Santiago EL MERCURIO in Spanish 11 Oct 92 pp D24-D25

[Interview with Ecuadoran President Sixto Duran-Ballen in his office in Quito by Eduardo Galarraga, Miguel Rivadeneira, and Eduardo Martillo of the Quito daily EL COMERCIO; date not given—first three paragraphs are introduction]

[Excerpts] Sixto Duran Ballen, an architect by training, has had Ecuador's fate in his hands since 10 August, when he succeeded Dr. Rodrigo Borja. He is the fourth democratically elected president since the country returned to democracy in 1979, after a long period of civilian and military dictatorships. [passage omitted]

Seven weeks after taking office, the president met with journalists from the Quito daily EL COMERCIO to give an interview for the America Group of Dailies. The first appointment had to be canceled because the president was meeting with workers' representatives, and on the second occasion, the journalists were asked to keep the interview to 30 minutes. In the end, it lasted 62 minutes. [passage omitted]

The president offered the journalists some coffee, joked with them about the colors of their ties, some of them quite gaudy. Then he immediately began the interview. [passage omitted]

First Seven Weeks

[EL COMERCIO] Mr. President, you have been in office for seven weeks now. What experiences have you had? Have they been positive? Have you been frustrated?

[Duran-Ballen] I suppose that my main feelings must be similar to those experienced by any chief of state at any time, not just in Ecuador but in any country, I believe. That old saying that it is not the same to see things from the outside as from the inside is true, and it causes one to feel almost frustrated—I do not want to say frustrated, exactly, but there is no word that can precisely describe what I feel.

Certainly the problems I have inherited are great. I do not want to put myself in the classic situation of a president who goes to a wailing wall, but the situation is very difficult. In many respects, however, it is due to international factors that are having an impact on us, such as hemispheric inflation (we are not the only ones who have it); the recession in the United States, which is also having repercussions for Ecuador; the decline in European goods and services; and the 500th anniversary, which has caused a number of problems. In addition to all that, there is the country's particular economic situation, which has had a major impact on my government. This situation arose before I took office, but it is up to me to find a solution. [passage omitted]

All of these concurrent factors that I have mentioned, plus the lack of funds, mean that during these first seven weeks of my government, I have really been concerned about not being able to do everything I had planned. This includes the rehabilitation of the housing programs, which I had carried out when I was in charge of that and which I had planned to begin immediately, the reactivation of the economy through production mechanisms, the creation of new jobs through public works, and the housing programs themselves. All of this is due to the lack of sufficient resources, in spite of the measures adopted on 3 September. So far, they have only served to keep the government operating. But there is also the fact that, since we have outstanding loans abroad, at this point we have been unable to do more than take steps that will lead to results in the short or medium term.

All of these aspects, plus the harshness of the measures adopted, mean that what I have done in this short period, in a responsible manner, is make the decisions that I have deemed appropriate. Regardless of their negative political repercussions, I believe they will make it possible to change the course of government. In view of the near frustration that I was talking about, I might also say—and please do not take this as an indication of pride on my part—that I am satisfied that I have had the integrity to do what needed to be done. Like other human beings in the same circumstances, I might have succumbed to the temptation to go the popular route and not take measures of this sort, to keep inflating the country, expanding the money in circulation and relying on the Central Bank to keep turning the crank on the money printing machine. I am not going to do that. For this reason, I think I have cause for satisfaction, because I am doing what a president should do, in keeping with the tremendous responsibility involved in being president of Ecuador. [passage omitted]

Privatizations

[EL COMERCIO] In today's world, looking at specific cases such as Mexico and Argentina, where aggressive privatization policies have been pursued, would you be in favor of maintaining policies like those carried out by President Menem, for example?

[Duran-Ballen] Ecuador is a unique case. Regardless of what has been achieved in Mexico, Argentina, and partially in Venezuela and Bolivia as well, the circumstances are very different. [passage omitted]

The fact that everyone says they are going to privatize does not mean that we will be able to do the same thing other countries have done. Whatever we do, we must keep in mind our own situation, our own possibilities and means. And with those criteria, we are already studying, case by case, which state entities can be restructured, basically according to the four possibilities I indicated during my campaign: The first, restructuring the state agency or entity to give it the efficiency required by the country, the efficiency that prevails in the private sector. For this purpose, there is no need to privatize; what we need is a willingness and an acceptance on the part of the conglomerates that make up these institutions, so that they will recognize that this is necessary.

A second possibility is that, if the first is not feasible, Ecuador could become involved in the formation of a mixed enterprise, contributing the assets that belong to the institution and obtaining private resources, be they foreign or domestic, to complement those assets. The result would be a mixed enterprise, which is allowed and permitted under Ecuadoran law. The third alternative is to turn the institution into a private company, within the limits of the law, in which we would hold shares, just as any citizen could. And the fourth would be that which is interpreted as privatization: selling or auctioning—any legally recognized method, and not necessarily one to the exclusion of others—the entity to private bidders. We

have these four alternatives, and for each institution, we must determine which is the most appropriate and the most feasible.

It is interesting to note, in this regard, that at our meetings with trade union representatives in the past few days, there has been a tendency for the different sectors of the labor movement to be critical of each other. It was obvious that much of what the trade union federations were complaining about was the need, even at that level, to reorganize inefficient parts of the government. If you had been with me at the second of those meetings, you would have seen at what level in the trade unions, not those involved in the public sector but those in the private sector, there are complaints about the Ecuadoran Institute of Agrarian Reform and Settlement (IERAC), about corruption and delays, about inattentiveness, about rudeness, about people sitting around reading newspapers, and so on. These are not complaints coming from the business sector, but from the labor sector itself, speaking about a public entity. People are complaining loudly about the treatment they are getting at the Ecuadoran Social Security Institute (IESS), with regard to loans as well as medical services, housing credits, IOU's, etc.

I repeat that these complaints are not coming from the business sector, which is said to hold sway with us; they are complaints from the country's labor sector, about the Telecommunications Company (Emetel) taking so long to respond to requests for repairs, making mistakes on bills and not providing any explanation to customers, demanding kickbacks for installing telephone equipment, etc.

There were many different complaints. There were representatives of the public sector at these meetings, and I have found that within that sector, those who hold the so-called career administrative positions want the same benefits as those in the so-called autonomous public sector. So if the workers themselves think a restructuring is necessary, we have to look at the problem realistically. I told them there was a dichotomy with them, because, on the one hand, they talk about stability, no lay-offs, and, on the other hand, they ask the president to please remedy these situations. I have asked that in every situation of this sort, we all take off the mantle of that which we think we represent and behave on the basis of what we all are: Ecuadoreans. And as such, we should strive to make things work well, and if they do not, reorganize this.

The Workers

The economic measures announced by the government on 3 September sparked a wave of protests across the country. As projected, inflation exceeded 10 percent in September, and the annual inflation index was above 60 percent.

In view of the obvious increase in the cost of living, the Sole Workers Front (FUT) demanded that the national government provide more compensation than previously announced. Almost all Ecuadoreans consider the existing compensation package insufficient to cushion the blows of what has come to be known as the "economic drubbing."

The leaders of the FUT organized a national strike, and although it was felt that the strike did not have much impact (which would reflect the FUT's limited drawing power), government officials did admit that it generated losses of 56 billion sucres, that is, 10 percent of what the economic measures are supposed to yield by next December.

In view of these developments, President Duran-Ballen referred to relations with the FUT in the following terms:

"I should say that in the two sessions we have had with the leaders of the trade union federations, and also in the meetings they have had with the ministers, the atmosphere has been cordial and full of mutual understanding, and with regard to money, to the Central Bank. All I ask is for a little understanding, and gradually everyone will be taken care of. I believe there will be a meeting between the finance minister and the mayor of Quito [Jamil Mahuad] to set up some form of gradual transfer of funds. Certainly all these institutions require money from the government's budget, but, I repeat, there are no funds."

Andean Pact

[Duran-Ballen] Andean Pact, Mercosur, integration, free trade zones, liberalization of trade—all of these are aspirations shared by every country in the world. No country, no matter how distant from Ecuador, is more than 24 hours away. In a few hours we can be anywhere. We are no longer in that world where it took three months on a ship to go to another part of the planet, and so we could not talk about exports because any product would arrive in a damaged condition.

Today we can be anywhere in the world, with a product of Ecuador, in a matter of hours. If we want to strengthen Ecuador's economy, we must think in terms of as much integration as possible. A situation that is very logical and very necessary has arisen with Colombia. Colombia has already done this, to the great benefit of both countries, with Venezuela. This great benefit means there is absolute freedom to trade products between the two countries. The result is the strengthening of agriculture and industry.

It is unfortunate that there have been problems in Tulcan, on the border with Colombia, perhaps due to a lack of communication, because the free trade zone will not harm anyone. And it is a little ironic that some want to defend the continuation of the activity of those who have benefited from smuggling. Smuggling means bringing goods into one country from another without paying customs duties. The day when this is done throughout the world will be the day when everyone can

trade freely. Free trade means extending this privilege, which formerly had been reserved to a few, to all citizens.

The fact that people do not cross the land border will not stop the liberalization process. Shipments of Ecuadoran goods intended for Colombian markets have been made by plane or boat, and vice-versa, to the benefit of both countries. I hope that people realize that the opening up of a free trade zone with Colombia is something that will benefit the whole country, and especially the border regions, because there will be more trade. [passage omitted]

Relations With Peru

When President Sixto Duran-Ballen was asked about relations with Peru and the progress made in talks on the border problem, he indicated that his opinion was expressed very clearly in the speech he gave to the United Nations a short time ago.

[Duran-Ballen] In essence, I believe that President Borja took a very important step in seeking the dialogue. And it was already said during the campaign, something that may be negative for some and not for others, that I did not care if it affected me politically, because I do not strive to be popular, only to express my feelings. That is why I have made every effort and worked enthusiastically to keep the talks going. In my conversations with President Fujimori, I got the impression that he, as president of Peru, had the same feelings about continuing to talk. That was why when the idea of meeting again came up, it was suggested that he make a new visit to Ecuador.

He spoke of fishing in Ecuadoran waters, in a location near the two countries' border; and since I have been going with great pleasure to Bahia for many years, we are going to meet there in the next few days. Rather than an official meeting at which highly important issues are discussed, it will be a social visit, a personal one, in which there will certainly be an opportunity to discuss the territorial situation in more detail. But I have been very firm in pointing out—and I put it to him in these terms—that Ecuador must create a sovereign front in the Amazon. [passage omitted]

Cuba

The president of Ecuador believes that the time has come for Cuba to begin gradually returning to democracy. He noted that in Miami he had stated that the Cuban Government should be sensitive to a worldwide trend, and that a progressive return to democracy would be very well received.

[Duran-Ballen] If it were announced in Cuba, for example, that in the short- or medium-term municipal elections will be held, and perhaps later congressional elections—not the way these things have traditionally been conducted in the socialist countries, with nothing but official lists put out by the party, but instead giving an opportunity for the establishment of other parties and allowing them to run for election freely—I would have no problem saying this marked the beginning of a return to democracy, which is what everyone in the Americas is waiting for. I do not believe foreign intervention would be well received, but if the current government of Cuba should become more sensitive and begin a process of returning to democracy, that would be very well received by all. I said that perhaps some friendly countries, or the OAS itself, could make a suggestion to that effect to the Cuban Government, and there could be an election process. I do not support the idea of an uprising, much less intervention in the island. [passage omitted]

Paraguay

Vaesken Says Relations With U.S. 'Invariable'

PY0511202892 Asuncion NOTICIAS in Spanish 5 Nov 92 p 24

[Excerpts] Foreign Minister Alexis Frutos Vaesken yesterday told the press that concerning Paraguay and Bill Clinton's election as the new President of the United States of America, I can say that "our relations in all aspects will remain invariable."

Even though some men were or will be changed at the White House in Washington, and U.S. political ideologies, I insist that "there will be no change in its relations with the Paraguayan Government" because we must take into account the fact that "the general feeling of the U.S. people is to support democratic governments."

And the Paraguayan Government is democratic. As I have said more than once, "if we talk about transition it is not because we lack the elements of democracy, but because we have no democratic tradition, and this we call a democratic transition, so there is no justification for any type of change."

Moreover, he added, "the commitments agreed upon between the two governments will be fulfilled, and I believe that there will be no change because there is no reason whatsoever for a change in our relations." [passage omitted]

When asked about the possible fate of President Bush's Americas Initiative, he said that considering that both Clinton's and Bush's policies on Latin America are the same, I harbor the hope that it will be implemented in the future.

Lack of Quorum Jeopardizes 1993 Election Date

PY0511210292 Asuncion PATRIA in Spanish 5 Nov 92 p 5

[Excerpt] The special session convened by the Chamber of Deputies was adjourned yesterday because it was unable to garner the two-thirds of the members required to form a quorum. Therefore, it could not vote on what had been approved in previous sessions. The Chamber of

Deputies was scheduled to discuss important and urgent subjects such as the bills on the division of the country into new departments and the apportionment of seats in the Chamber of Deputies among the different departments.

Given the lack of a sense of responsibility displayed by many unreliable deputies, who did not show up to cast their votes on the subject, the looming threat of the executive being unable to call general elections on 9 May 1993 may come true. It must be kept in mind that the executive must meet the 9 November deadline for issuing the decree to provide the legal framework for the upcoming elections.

The bill that the deputies had to discuss yesterday provided that the Western Region's five departments would be grouped into three departments. By virtue of this new structure, fewer seats, three in number, will be apportioned to the Western Region. [passage omitted]

Appointments Demonstrate Oviedo's 'Influence'

PY0511234892 Asuncion ULTIMA HORA in Spanish 5 Nov 92 p 13

[Text] The appointment of General Eumelio Bernal as defense minister puts an end to speculation about his future, given his alleged support for the charges made by Colonel Luis Catalino Gonzalez Rojas. It also demonstrates the influence of General Lino Oviedo, who, through his support, allowed Gen. Bernal to remain on active duty.

Bernal was offered the Defense Ministry on 9 October but his appointment was "frozen" given the uncertainty of the appointment of former Defense Minister General Souto Hernandez as ambassador to Spain—according to President Andres Rodriguez' own explanation on 14 October, which had to comply with a constitutional disposition and which seemed to be an obstacle to the appointment. The appointment's delay cannot help but be associated with Gen. Bernal's endorsement and confirmation before Judge Jose Agustin Fernandez of the charges raised before the court by Col. Gonzalez Rojas.

The relation between Gens. Bernal and Oviedo—whose increasing influence in the Armed Forces was a determining factor in this case—is well known in military circles. Oviedo is backed not only by his position as commander of the largest Army corps, but also by his Cavalry division comrade, Army Commander General Jose Concepcion Ocampos, who considers Oviedo "the spearhead of the Armed Forces."

To this we may add that most of the recently appointed Promotion Board members come from the 1st Army Corps, which is meaningful in deciding whether to retire Bernal—a decision that will be made by the Promotion Board and not by the fact that he is a minister, according to Rodriguez—and leave him on active duty.

This does not mean at all that Rodriguez has lost some internal control in the Armed Forces like some people think. The fact simply is that the most "senior" commanders (like Generals Eduardo Gonzalez Petit, Humberto Garcete, Francisco Sanchez Gonzalez, and Emilio Balbuena) have lost their influence in making decisions. Gonzalez Petit, who comes after Rodriguez in seniority, and Bernal, who comes after Gonzalez Petit, are the ones who may be "spared" in this internal struggle. Gonzalez Petit is sure that he will be sent to retirement in August 1993, at the same time Rodriguez retires and as he leaves the Presidency. Bernal apparently will follow the same path, given the support he enjoys among the younger generals.

Former Army Commander Rejects Gonzalez Rojas' Charges

PY0411223292 Asuncion NOTICIAS in Spanish 4 Nov 92 pp 8-9

[Excerpt] Like any common criminal, General Humberto Garcete, dressed in civilian clothes, yesterday went to court to testify on the charges of illegal car trafficking to Bolivia, bribery, and cattle stealing filed by Colonel Luis Catalino Gonzalez Rojas. Garcete arrived 40 minutes in advance for the audience, scheduled for 1600, in the company of his two children.

Garcete denied his involvement with all criminal actions and any possible link with drug traffickers Juan de Dios Martinez and others. He did not, however, provide any evidence to lessen his responsibility for the cases that are under investigation.

Referring to the reason for the charges leveled by Col. Gonzalez Rojas, Garcete said that the charges of corruption involving the Armed Forces are part of a "plot" prepared by Gonzalez Rojas to destroy the Army commander as well as 3d Army Corps Commander Gen. Emilio Balbuena.

Garcete said that Col. Gonzalez Rojas convinced his subordinates to declare themselves against him, and that they were asked to say that "they were involved with the illegal trafficking of vehicles through the 3d Army Corps, and received orders and cards from Gen. Garcete."

Garcete said: "This is really an inexplicable situation, because I maintained excellent relations with Gonzalez Rojas. But his decision to force his subordinates, taking advantage of his seniority, to report nonexistent things with the objective of harming senior officers, reveals that he was instructed or himself prepared a plot to destroy, with or without reason, the 3d Army Corps commander and the Army commander. Gonzalez Rojas even told his subordinates that he had good support, and that even if they were sanctioned they would have recovered their military rank sooner or later. He also told them that if they were dismissed, they would be assigned a good job in the private sector." [passage omitted]

Peru

'Unidentified Persons' Kill Dincote Colonel

PA0511152792 Lima Radio Programas del Peru Network in Spanish 1445 GMT 5 Nov 92

[Text] [monitored in progress]...of Block 48 of the Republica de Panama Avenue. We learned that unidentified persons in a blue Volkswagen killed Col. Manuel Tumba and fled. The license plate of the blue Volkswagen is 4117, but the letters are not known.

There is a heavy deployment here of police and the Counterterrorism National Directorate [Dincote], who were shocked by the death of Dincote Prefecture Col. Manuel Tumba.

At this time a sweep is being made to try to find the culprits of this assassination here on block 48 of Republica de Panama Avenue. The body is lying in a pool of blood awaiting the arrival of the forensic official.

We have been told that Lieutenant General Antonio Quetin Vidal of the Dincote has just left, very upset by the death of Manuel Tumba.

Gen Ramirez: Shining Path Received Drug Money

PY0511022492 Lima EL COMERCIO in Spanish 29 Oct 92 p A4

[From the "Without Confirmation" column by Alfonso Baella Tuesta]

[Text] At least a part of the $30 million the Shining Path obtained per year came from drug trafficking.

This official information was provided to the OAS Inter-American Committee for Drug Control by Air Force General Arnaldo Velarde Ramirez, chief of the Coordinating Office for the Fight against Drug Trafficking in Peru.

Thus the OAS, which lately has obtained a lot of prestige, has been officially informed about exactly what the Shining Path is: A terrorist and genocidal organization at the service of drug trafficking.

President Gonzalo [Abimael Guzman] was playing two games. In one game, he used a political approach and appeared as the head of a Marxist-Leninist-Maoist organization with the intention of installing the "New Democracy" through the use of terror, thus representing the fourth sword of the communist revolution.

In the second game, President Gonzalo was the leader of a gang of murderers willing to take over the heart of the Latin American coca zone through terror to take over the country and establish the world center for the production, refining, and distribution of cocaine in this country.

Shining Path Leader Commanded Vehicle Fleet

PY0511014892 Lima EL COMERCIO in Spanish 29 Oct 92 p A4

[From the "Without Confirmation" column by Alfonso Baella Tuesta]

[Text] Martha Huatay, responsible for the Shining Path's "Popular Succor" organization, commanded a fleet of 354 vehicles (including vans, pickups, cars, and trucks) and two repair and maintenance shops.

The vehicles circulated around the whole country serving the Shining Path. It is improbable that Huatay could have swindled funds from Popular Succor to establish a private passenger and cargo transportation business.

Media reports point toward something more concrete. Through this motorized service Popular Succor, for example, provided the car Maritza Garrido Lecca drove for Abimael Guzman's personal service.

Every day the country learns of new aspects of this sinister organization.

Shining Path Group Supplied Logistical Support

PY0511235892 Lima EL COMERCIO in Spanish 29 Oct 92 p A11

[Text] Some 20 buildings located in residential and outlying areas that were rented by the Shining Path organization "Popular Succor of Peru," for large amounts of dollars, may have served as strongholds for terrorists in charge of the bloodiest crimes in Lima.

Moreover, the office of attorney Martha Huatay Ruiz, 48, aka Tota, Rosa, or Mery, leader of the self-created Popular Succor of Peru, was once again raided by Dincote [Counterterrorism Division] at dawn yesterday.

It was learned that Abimael Guzman Reynoso 'Gonzalo' used premises rented by Popular Succor of Peru to hide in many times when he was being intensely sought after by police.

This organization paid $2,000 for half a year's rent for the house in the La Calera housing development, Surquillo, where Abimael Guzman and other Shining Path leaders were arrested.

Similar sums of money were paid for a house on Street No. 5 in the La Molina neighborhood, for one on the first block of Julio C. Tello Street (Lince), and for one on the third block of Pedro Ruiz Gallo Street in the Bellavista neighborhood, Callao.

It also has been established that Popular Succor of Peru rented a house in Magdalena that was used as the editorial office of what used to be the Shining Path's newspaper, EL DIARIO.

The logistics support provided by this Shining Path organization headed by Martha Huatay Ruiz also included acquiring vehicles.

The automobiles, pickups, or trucks were obtained through purchases or simply through holdups or thefts. One of the automobiles used by sentenced Maritza Garrido Lecca Risco was provided by Popular Succor.

Army Loss of 'Institutional Status' Examined

PY0511145092 Lima CARETAS in Spanish 29 Oct 92 pp 30-33

[Text] In almost every coup d'etat in Peru's republican history, the Army's Armored Division has been the decisive military unit. For this reason, every president—democratically elected or not—has sought to place a trusted officer at the head of this unit.

Although the Army, or at least a great number of generals, is the main pillar of any de facto government, military commanders have admitted that the Army has lost its institutional status and is being dangerously politicized. Any officer who wishes to be promoted and/or strives for a good post must "play the game."

The problem lies in channeling this growing unrest, because expressions of discontent are easily detected and punished. Thus, those who complain or protest run the risk of being retired or even tried on serious charges.

There is, for example, the so-called "Comaca" group. This is a group of Army commanders, majors, and captains which, according to the military officers who support Fujimori, is a resentful group. Everything indicates that this group has a certain institutional presence and that they are even responsible for distributing pamphlets within military garrisons. It is unfortunate tha. the Army does not have an official spokesman who can explain the "Comaca" group. The information department, which is headed by Army General Fernando Liuzarzaburu, does not seem to worry about them.

The latest pamphlet distributed by "Comaca" was addressed to Alberto Fujimori. Among other things it states: "...the arrest of the Shining Path leader [Abimael Guzman] does not represent the beginning of the end of this group of fanatic murderers. Using this same logic we could say that the Armed Forces, which have been ill-treated by your government through being deprived of their most outstanding leaders, could also be facing the beginning of their disappearance...

We still consider those officers whom you have arbitrarily retired for the sole crime of refusing to be submissive to be the leaders of our institutions..."

The Army is still unable to find an genuine and reasonable explanation for the sudden replacement of Army General Luis Alfredo Rojas Neyra as commander of the Armored Division. Rojas Neyra was highly trusted within the presidential sphere and was a member of the so-called "Red Tide" of military men. This to a large extent meant that, as a good artillery man, he enjoyed the confidence of Army Captain Vladimiro Montesinos, retired, a Government Palace adviser.

Rojas graduated from the Military College in the Class of 1963, which was called the "Coronel Marcelino Varela" graduation. Division Generals Juan Briones and Luis Salazar Monroe—who until early August was commander of the 2d Military Region—also graduated in the same year.

As Rojas is considered to be closely related to Salazar Monroe, probably the most accurate rumor about his removal is that Salazar prevented General Victor Pizarro from becoming Army commander on 8 July, when an act of "Institutional fraternity, unity, and solidarity" was held.

On that day, General Nicolas de Bari Hermoza was supposed to have been officially appointed to the Defense Ministry. According to rumors, no less than Salazar opposed this. It seems that Salazar, in turn, was influenced by General Jose Valdivia Duenas who, had the changes taken place, would have been left in a difficult position over his possible appointment as Army commander.

The truth is that Salazar Monroe was involved in some maneuvers which bothered the Army commander and presidential advisers. He was first accused of poor performance in the struggle against terrorism in his capacity as commander of the 2d Military Region. Commenting on Salazar's fate, many generals have said that the high command rewarded him by sending him to the United States with a $6,000 salary. There is no doubt that his brother, General Julio Salazar Monroe, head of the SIN [National Intelligence Service], had something to do with that.

Although not many are aware of it, within military circles it is said that Army Colonel Luis Cubas Portal is the Government Palace man of confidence in the 2d Military Region. Cubas is chief of staff of the Armored Division and brother-in-law of presidential adviser Captain Vladimiro Montesinos, retired. It cannot really be said that Montesinos gained this post through his own merits. Considering this is a post of confidence and that Cubas is the "eyes" and "ears" of Government Palace, he must have some important information that the Army command maintains secret.

It has leaked that last 20 October the defense minister sent envelopes containing the change of posts to the Army Personnel Commander for implementation. This shows that the Army command did not participate in the changes and, even worse, that it wasn't even consulted. The resolutions replaced Luis Rojas Neyra as commander of the Armored Division. He is now "adviser to the Defense Secretariat."

General Manuel Obando Salas was also removed as Inspector General of the 2d Region and appointed to the Higher Military Studies Center. Obando is an infantry

man who graduated in the Class of 1966, which was called the "Teniente Coronel Francisco Cornejo" graduation.

Both Rojas and Obando sought explanations for the changes but they had no one to turn to. They are aware they run the risk of being retired if they persist. They were both loyal to Fujimori and his supporters, and their retirement is another sign of how Fujimori—or his advisers—do as they please with high-ranking officers.

They were responsible for the "pacification process in the Northern Cone and in the San Marcos University" and were constantly implementing comprehensive dragnet operations and giving support to the community. The Armored Division, headed by Rojas and Obando, also played an important role in the 5 April coup: Tanks of this division seized Congress, the Court, and the Attorney General's Office in order to gain control over Lima.

They also guarded Government Palace and now these generals who did everything for Fujimori are being linked to the "Comaca" group.

General Victor Pizarro Castaneda continues as chief of the 2d Military Region and is also chief of another four [as published] regions, the 1st, 3d, and 5th Regions. He is scheduled to retire at the end of the year unless Fujimori appoints him to an important post.

General Pablo Carmona Acha, an infantry man, is currently deputy commander of the 2d Military Region.

General Luis Block Urban is the new chief of staff. Block is a Cavalry man who returned 15 days ago from heading the Peruvian officers who joined the UN's "Blue Helmets" in Western Sahara.

Infantry General Giovanni Cheme Angeles is the new Army inspector general. Infantry General Cesar Enrique Saucedo Sanchez graduated in the Class of 1967, which was called the "Sargento Mayor Armando Blondet" graduation. He is the new commander of the Armored Division.

With Saucedo as commander, it is hoped that the situation within the Army will return to normal. Some observers maintain that "those who govern men believe they can sleep peacefully." What is really odd is now that the time for promotions and changes gets near, an important sector of the 2d Military Region has been reorganized.

Added to all this is the dismissal two weeks ago of Colonel Alberto Pinto Cardenas as head of the Army Intelligence Service. Although this high-ranking Army officers did not like Pinto Cardenas, he enjoyed Fujimori and Montesinos' support.

Pinto is an artillery man and a prominent member of the "Red Tide." As is known, has been posted to the Defense Ministry.

Police Repress Demonstrators With Tear Gas

PA0511215392 Lima Global de Television Network in Spanish 0100 GMT 5 Nov 92

[Excerpt] The constructions workers have protested once again; this time they burned tires at the 2 May plaza, causing traffic problems. The police forcefully repressed the demonstrators with tear gas. The demonstrators are rejecting the Social Security privatization.

Anticipating labor disturbances, the riot police posted themselves at the 2 May plaza at 1600. Despite the presence of the riot police, the construction workers—mingling among the passers by—surprised the police by burning tires on the four main access streets to the downtown plaza. Very quickly, chaos reigned in the area while tear gas canisters were fired right and left. [passage omitted]

Venezuela

Senate Approves Referendum on Term Reduction

PA0511020692 Caracas Venezolana de Television Network in Spanish 0002 GMT 5 Nov 92

[Text] The Senate on 4 November approved, by 26 votes in favor and 22 against, a proposal by Senator Pedro Pablo Aguilar to include in the next regional elections a referendum to consult the people on the reduction of the presidential term.

The session, which began at 1700, was a plenary session attended by all senators, including former Presidents Rafael Caldera and Luis Herrera Campins. Following a prolonged debate in which representatives from Democratic Action [AD], the Social Christian Party, and the Movement Toward Socialism presented their points of view, the congressmen voted on the proposal that was approved by all, with the exception of AD.

Clandestine Group 'Commander' Announces End of Truce

PA0511023992 Madrid EFE in Spanish 0019 GMT 5 Nov 92

[Text] Caracas, 4 Nov (EFE)—The clandestine Bolivarian Liberation Forces [Fuerzas Bolivarianas de Liberacion—FBL] announced on 4 November the end of a 30-day truce during which time they promised to suspend what they consider "exemplary punishments."

The FBL is a group that surfaced after the foiled 4 February military coup d'etat. No one knows who makes up the FBL or how large it is, but the police are pursuing it as its goals include the destabilization of the system.

In a communique distributed on 4 November by "Commander Zacarias," of unknown identity, the FBL pointed out that the truce has ended because in the term

given "justice has acted as an accomplice and promoter of crime," and "the criminals who have looted the nation have not been punished."

The main armed action carried out so far by the FBL is an attack against Antonio Rios, a social democratic labor leader, whom it considered "a symbol of theft, shame, and treason to the workers," and who was gravely wounded by several shots fired on 23 September.

A 30-day suspension of "exemplary punishments" was announced on 4 October by "Commander Zacarias" in an interview published by the Caracas daily EL NACIONAL.

Guyana

Hoyte Dismisses Allegations, Charges 'Vendetta'

FL0411202492 Bridgetown CANA in English 1949 GMT 4 Nov 92

[Text] Georgetown, Guyana, Nov 4, CANA—Former Guyana President Desmond Hoyte, commenting on allegations about missing cabinet minutes since the change of government here in October 5 elections, said the charges showed a "profound ignorance" of constitutional practice by the persons responsible.

"...no incoming government of a different party is entitled to the papers of the preceding government. I know that from my own reading of constitutional practice", Hoyte, a British-trained lawyer, told reporters Tuesday [3 November] at a news conference hosted by the former ruling People's National Congress (PNC).

"The people who are making these allegations are making them out of a profound ignorance," he added.

Hoyte repeated accusations at the news conference that the new People's Progressive Party/Civic Government was harassing officials who served under the PNC administration.

Citing examples, Hoyte, now parliamentary opposition leader, said just after the elections, the former head of his political and press division, Halim Majeed, had received three visits in less than 24 hours by the police without warrants.

"For the police to visit a citizen's home three times in less than 24 hours, one of those visits being around midnight, without warrants and end up by arresting him unlawfully and subsequently releasing him without any charges being made against him, requires a full explanation", Hoyte said.

The former president also said the police had made several visits to the permanent secretary in the Home Affairs Ministry, Fairbairn Liverpool, and his colleague in the Trade, Industry and Tourism Ministry, Nigel Gravesande, "vaguely demanding statements from them".

Hoyte said the police had made three visits to the home of former Minister of Information Yvonne-Harewood Benn, and had also visited the chairman of the Public Service Appellate Tribunal, former Chief Justice Rudolph Harper.

"Unless an end is put to (this) immediately, there are likely to be serious repercussions", Hoyte warned.

The former president said his former economic adviser, Darlene Harris, was "unceremoniously dismissed...in breach of her contract".

"There is mounting evidence of a political vendetta being carried out in a most indecent manner. In this brief period of just three weeks, the government has succeeded in demoralising the public service," Hoyte said. The new government has denied the PNC charges of harassment. It said it should be given a chance to make its own appointments.

Gold Industry Registering Record Yields

FL0311164492 Bridgetown CANA in English 1603 GMT 3 Nov 92

[Text] Georgetown, Guyana, Nov 3, CANA—Guyana's raw gold output has climbed to almost 63,000 ounces, the highest in nearly eight decades, and is poised to eclipse the 80,000 ounce target for this year. The state-owned CHRONICLE Wednesday [4 November] reported production for the year at 62,927 ounces, worth GD2.4 billion dollars (U.S. 1 dollar = 0.8 G cents), the highest level since 1915.

Official gold returns inched closer to the 80,000 target with a record-breaking collection of 10,045 ounces last month, which is one of the highest ever monthly figures since the state-owned Guyana Gold Board was established a decade ago. This figure was almost double the 5,881 ounces bought by the gold board in October last year. But the Guyana Gold and Diamond Miners Association (GGDMA) has set a separate target for the year of 100,000 ounces.

Official production has already surpassed the 1991 figure of 59, 300 ounces by 3,627 ounces of burnt raw gold. The highest collection before October was 8,644 ounces in August.

"We will definitely cover that 1914/1915 record of 64,982 ounces," the paper quoted an unnamed board official as saying.

"It looks certain that we will reach this year's production projection once the monthly declarations continue to be high," the source said.

Five hundred and fifty ounces had been sold to the board by early Tuesday afternoon, setting the stage for a hefty November collection. The gold industry is Guyana's fifth major foreign exchange earner, after sugar, rice, bauxite, and timber.